



**PREMIER LTD.**

**67TH ANNUAL REPORT**

**2012-13**

# Engineering



**CNC Machining facility**



**Axle pin part (SG Iron Casting) for wind turbine**



**Manufacturing of Stator Carrier of Wind Turbine parts**



**BEML Metro Bogie frame**



**World class inspection facilities for Wind Mill Tower project**



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## Regd. Office & Works

Premier Ltd., Mumbai-Pune Road, Chinchwad, Pune 411 019, India.

Tel: +91-20-66310000, Fax: +91-20-66310371

## Corporate Office

58, Nariman Bhavan, 5th Floor, Nariman Point, Mumbai 400 021, India.

Tel: +91-22-61179000/1/2, Fax: +91-22-61179003

Email: [investors@premier.co.in](mailto:investors@premier.co.in), Web: [www.premier.co.in](http://www.premier.co.in)

## Branch Offices :

### Bengaluru

No 549-A, Parallel to 14th Cross  
4th Phase, Peenya Industrial Area

Bengaluru - 560 058

Tel: +91-80-28363071

Fax: +91-80-28363901

### Chennai

T-8/1, 4th Main Road,  
Anna Nagar, Chennai - 600 040

Tel: +91-44-26190809

Fax: +91-44-26190302

### New Delhi

407, 4th Floor, World Trade Centre  
Barkhamba Lane,

New Delhi - 110 001

Tel: +91-11-23413331

Fax: +91-11-23413332

### Kolkata

1st Floor, Commerce House,  
Room No 7 & 7A, 2, Ganesh Chandra  
Avenue, Kolkata - 700 019

Tel: +91-33-22132953

## Compliance Officer

Ramesh M. Tavhare

Vice President (Finance & Legal)  
& Company Secretary

## Statutory Auditors

K. S. Aiyar & Co.

Chartered Accountants

## Internal Auditors

Jayesh Dadia & Associates

Chartered Accountants

## Cost Auditors

ABK & Associates

Cost Accountants

## Solicitors

Kanga & Co.

Desai & Diwanji

AMC Law Firm

## Bankers

State Bank of India

State Bank of Hyderabad

Corporation Bank

J&K Bank Ltd.

## Registrar and Transfer Agent

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,

L. B. S. Marg

Bhandup (W), Mumbai - 400 078

Tel: 022-25946970-78

Fax: 022-25946969

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

# Board of Directors

**Maitreya V. Doshi**

Chairman &  
Managing Director

**Rohita M. Doshi**

Computer Engineer

**Kavita Khanna**

Management Consultant

**S. Padmanabhan**

IAS (Retd.) / Advisor

**Rohan Shah (upto 11.4.13)**

Solicitor

**Dilip J. Thakkar**

Chartered Accountant

**Asit Javeri**

Industrialist

**Udo Weigel**

Machine Tool Technologist

**Ramesh Adige**

Industry expert -  
Automotive, Pharma,  
Healthcare, Banking &  
Public Policy

# Senior Management Team

**M. D. Adhikari**

President

**K. G. Rathi**

Vice President  
Engineering Division

**D. S. Totre**

Vice President  
Machines Division

**Ramesh M. Tavhare**

Vice President  
Finance & Legal,  
Company Secretary

**Rakesh Mehta**

Vice President  
Automotive Division

**K. S. Nair**

General Manager  
Finance

**S. D. Joshi**

General Manager  
Design &  
Development - Machines

**V. R. Kothari**

General Manager  
Gear Machines  
Business

**R. V. Nair**

General Manager  
Accounts & MIS

**P. G. Salunkhe**

General Manager  
Operations - Engineering

**N. M. Kuntoji**

General Manager  
Commerical - Engineering

**V. Murugan**

General Manager  
Vehicle Engineering &  
Quality - Automotive

**A. P. Goel**

General Manager  
Sales & Marketing -  
Automotive

**Erica De Souza**

General Manager  
Chairman's Office,  
Corporate Communication  
CSR & Training

# Letter to Shareholders



Dear Shareholders,

The macroeconomic and industrial scenario in the country during the year under review has been extremely challenging. An environment of reducing GDP growth, high interest rates and persistent inflation has put considerable pressure on your Company's performance with sales and profits not growing during this period. Your Company's Engineering Segment (comprising CNC Machines and Heavy Engineering) that is strongly linked to the automotive, wind energy and infrastructure sectors faced a significant slackening of demand due to headwinds faced by these industries.

For the first time in many years, the auto industry has registered a huge drop in growth, thereby impacting your Company's CNC gear machine sales to the auto OEM's and ancillary industry, directly affected by this slump in vehicle demand. Your Company's heavy CNC machines, normally purchased by Railways, PSU's and large private sector customers, also suffered a paucity of orders because of deferred capital investment programs due to reduced Government spending.

The Heavy Engineering Division was badly affected by the slump in wind turbine component orders due to a policy change by the Government in the 2012 budget; resulting in a significant drop in industry demand and the consequential fall out on your Company. Fortunately, some of this has been made up by new business such as metro rail chassis supplies and other engineering areas unrelated to the wind turbine industry.

The Automotive Division is still in startup production stage. The new version of the BS4 compliant Compact SUV RiO, with the new CRDi engine (supplied by FIAT) has received a very positive response. Your Company continues to roll out its nationwide dealer network but, given the extremely negative scenario in the auto sector, progress in terms of volume development remains slow.

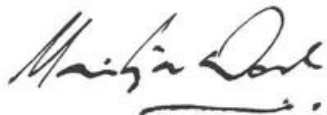
Despite the Government's several reassurances to industry, the forecast for FY '13-'14 continues to look very difficult in terms of improved demand and growth. Your Company continues to work on new product lines and markets to augment its business growth in its Engineering Segment.

Although the real estate market was difficult during the year, your Company was able to monetize 150 acres out of the 218 acres it owns at Dombivali, Mumbai for a sum of Rs. 440 crs. It has retained 68 acres, that it will monetize in the future. Rs. 220 crs of this amount has already been received and utilised to reduce corporate liabilities. The balance Rs. 220 crs will be received in December '14. This inflow will further help bring down overall debt, thereby reducing the interest burden.

Your Company has done cost cutting during the year including areas like materials, manpower and interest. These savings are likely to be seen during FY'13-'14. Notwithstanding this difficult environment, your Company continues to invest in R&D, file patents, commit to its human resource training programs and do significant CSR activities.

Finally, I would like to thank all your Company's stake holders for their unstinted support during this difficult time. I particularly appreciate all levels of the Management team for their zealous commitment to your Company's growth and success.

With regards,

A handwritten signature in black ink, appearing to read 'Maitreya V. Doshi', with a horizontal line underneath.

Maitreya V. Doshi  
Chairman

April 30, 2013

# Notice

NOTICE is hereby given that the SIXTY SEVENTH ANNUAL GENERAL MEETING of the members of Premier Limited will be held on Friday, the 14th June, 2013 at 10.00 a.m. at the Registered Office of the Company at Mumbai-Pune Road, Chinchwad, Pune – 411 019 to transact the following business:

## **Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date along with the reports of the Auditors and the Board of Directors.
2. To declare dividend for the year ended 31st March, 2013.
3. To appoint a director, in place of Mrs. Rohita Doshi who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a director, in place of Mr. Dilip J. Thakkar who retires by rotation and being eligible, offers himself for reappointment.
5. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s K.S. Aiyar & Co., Chartered Accountants be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration plus service tax and out-of-pocket and/or travelling expenses as may be determined by the Board of Directors on the recommendation of the Audit Committee of the Board.”

## **Special Business:**

6. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such statutory approvals as may be required, consent of the Company be and is hereby accorded to appoint Dr. Udo Weigel, Director of the Company, to provide professional services as Advisor/Consultant to the Company for a period of one year from 27th March, 2013 to 26th March, 2014, on payment of 400 Euros per day as consultancy fees for actual number of days consultancy/services rendered in India or abroad subject to maximum 15 days in a year along with expenses for travelling, lodging and boarding, reimbursement of incidental and out of pocket expenses incurred by him in connection with the Company's business, for travel to India or outside India for any assignments of the Company with authority to the Board of Directors to review, alter or vary the same from time to time.”

7. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act,1956 and subject to the approval of the Central Government and other approvals as may be required and subject to the modifications and terms and conditions as may be prescribed by the Central Government while granting such approvals, the consent of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors of the Company at the rate of Rs.4,50,000/- (Rupees four lakhs fifty thousand only) per director per annum for a period of 3 years commencing from the financial year ending 31st March, 2014.”

By Order of the Board,

**Ramesh M. Tavhare**  
Vice President (Finance & Legal)  
& Company Secretary

**Registered Office:**  
Mumbai-Pune Road, Chinchwad, Pune - 411 019

April 30, 2013



## Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing a proxy and the power of attorney, if any, under which it is signed, should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.

- 2.** The Register of Members and Share Transfer Books will remain closed from Tuesday, the 4th June, 2013 to Friday, the 14th June, 2013 (both days inclusive) for payment of dividend on equity shares.
- 3.** The dividend on Equity Shares, if declared at the ensuing Annual General Meeting, will be paid on or after 17th June, 2013 to those Members whose names shall appear on the Company's Register of Members on 14th June, 2013. In respect of shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
- 4.** If members holding shares in physical form, wish to receive dividend through Electronic Clearing Services (ECS), kindly provide your bank account details along with photocopy of the cancelled cheque bearing the 9-Digit MICR code number of the bank where the account is held, to our Registrar and Transfer Agents, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai – 400 078, so that dividend can be remitted to the credit of their bank account through ECS facility, provided such facility is available in your locality.
- 5.** Members holding shares in dematerialized form are advised to inform their bank account details/confirm correctness of such details already provided to their respective Depository Participants along with the 9-Digit MICR code number of the bank where the account is held so that the dividend can be remitted to the credit of their bank account through ECS facility, provided such facility is available in your locality.
- 6.**
  - i) Members/Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting.
  - ii) Members holding shares in physical form, may write to the Company's Registrar and Transfer Agents for any change in their address and bank mandates and members having shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their contact address.
  - iii) Members are requested to send all communications relating to shares to the Company's Registrar and Transfer Agents (Physical and Electronic) at Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai – 400 078.

iv) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

7. Pursuant to Circular No. 17/95/2011 CL-V, dated 21.04.2011, issued by the Ministry of Corporate Affairs, Government of India, as a part of green initiative in Corporate Governance, the Companies have been permitted to send notices / documents to the members through email.

Accordingly, the Company proposes to send notices /documents like the annual report in electronic form to the members who would register their email address with the depositories, and Registrar and Transfer Agent of the Company.

The Members are requested to register their email addresses by sending their details to the Registrar and Transfer Agent, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400078, or to the Company at Premier Ltd., 58, Nariman Bhavan, 5th Floor, Nariman Point, Mumbai – 400 021.

Service of notices/ documents to the members whose email addresses will not be registered with the depository or the Company or the Registrar and Transfer Agent will be effected by mode of service as provided under section 53 of the Companies Act, 1956.

8. For the convenience of the members of the Company, the members are hereby informed that the inspection of the statutory registers as required under the Companies Act, 1956, would be allowed to the the members daily for two hours from 9.30 am to 11.30 am., from Monday to Friday except on public holidays, at the Registered Office of the Company at Mumbai-Pune Road, Chinchwad, Pune 411019. The members are requested to give 48 hours notice in writing for taking such inspection to facilitate the procedure.
9. Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, the amount of dividends remaining unclaimed for a period of seven years is to be transferred to the Investor Education and Protection Fund. Details of dividend declared from the year 2005-06 onwards are given below:

Financial Year	Declared on	Dividend %	Dividend / share (Rs)
01-04-2005 to 31-03-2006	11-08-2006	15	1.50
01.04.2006 to 31.03.2007	22-06-2007	20	2.00
01.04.2007 to 31.03.2008	27-06-2008	25	2.50
01.04.2008 to 31.03.2009	26-06-2009	25	2.50
01.04.2009 to 31.03.2010	30-08-2010	27	2.70
01.04.2010 to 31.03.2011	11-06-2011	27	2.70
01.04.2011 to 31.03.2012	24-08-2012	30	3.00

Members, who have not encashed the dividend warrants for the above years, are requested to write to the Company giving the necessary details.

The equity shares of the Company are listed on BSE Ltd., Dalal Street, Mumbai – 400 001 and National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Mumbai – 400 051. The listing fees have been paid up-to-date to these Exchanges.

- 10.** Mrs. Rohita Doshi & Mr. Dilip J Thakkar retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Brief resume of all directors including those proposed to be appointed/reappointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and the memberships, chairmanships of Board committees and their shareholding as stipulated under clause 49 of the listing agreement with the Stock Exchanges, are provided in the Report on Corporate Governance forming part of this Annual Report.

By Order of the Board,

**Ramesh M. Tavhare**  
Vice President (Finance & Legal)  
& Company Secretary

**Registered Office:**  
Mumbai-Pune Road, Chinchwad, Pune - 411 019

April 30, 2013

## **Explanatory Statement:**

### **Item No. 6**

Dr. Udo Weigel has been rendering consultancy services to the Company since September, 2006 and his expert advice and guidance has been immensely beneficial to the Company.

The Board is of the opinion that the advice of Dr. Udo Weigel would continue to be of immense benefit for the Company's future growth.

In view of this, the Board of Directors, on the recommendation of the Remuneration Committee, has reappointed Dr. Udo Weigel, a Director of the Company to provide professional services as Advisor/Consultant to the Company for a period of one year from 27th March, 2013 to 26th March, 2014, on payment of 400 Euros per day as consultancy fees for actual number of days of services rendered subject to maximum

15 days in a year along with expenses for travelling, lodging and boarding, reimbursement of incidental and out of pocket expenses incurred by him in connection with the Company's business, for travel in India or outside India for any assignments abroad with authority to the Board of Directors to review, alter or vary the same from time to time. The said appointment is made subject to the approval of the members in the Annual General Meeting and also subject to seeking of the opinion and approval of the Central Government under Section 309(1)(b) read with Section 314(1B) of the Companies Act, 1956.

The Board recommends the passing of the Special Resolution as set out in Item No.6 of the accompanied notice.

Dr. Udo Weigel, being concerned, is interested in the resolution. None of the other Directors is concerned or interested in the resolution.

#### **Item No. 7**

The Company paid commission to the Non-Executive Directors for a previous period of three years from 2010-11 to 2012-2013.

Since the Company seeks services of the Non-Executive Directors besides attending Board Meetings, it is proposed to pay commission for a period of three years @ Rs.4,50,000/- per Non- Executive Director per annum commencing from the year 2013-2014 to 2015-2016. Pursuant to Section 309 of the Companies Act, 1956, it is necessary to obtain approval of the shareholders for payment of commission to Non Executive Directors of the Company. We would seek consent of the Central Government after the proposal is approved by the shareholders.

The Board recommends the passing of the Special Resolution as set out in Item No.7 of the accompanied notice.

The Non-Executive Directors are deemed to be concerned or interested in the resolution. Mr. Maitreya Doshi, being relative of Mrs. Rohita Doshi, may be deemed to be concerned or interested in the resolution.

By Order of the Board,

**Ramesh M. Tavhare**

Vice President (Finance & Legal)  
& Company Secretary

**Registered Office:**

Mumbai-Pune Road, Chinchwad, Pune - 411 019

April 30, 2013

# Directors' Report

To The Members

Your directors are pleased to present the 67th Annual Report and the audited accounts for the financial year ended 31st March, 2013.

## 1. Financial Results

The financial performance of the Company for the financial year ended 31st March 2013, is summarized below:

	Rs (Lakhs)	
	2012-13	2011-12
Profit before Depreciation, Interest & Tax	20903.22	6890.78
Less: Interest	5176.11	4190.56
Depreciation	1564.15	1281.56
<b>Profit before Tax</b>	<b>14162.96</b>	<b>1418.66</b>
Less: Provision for Current Taxation	2840.57	292.82
Deferred Tax	2557.70	(1158.00)
<b>Profit after tax</b>	<b>8764.69</b>	<b>2283.84</b>
Add: Balance in Profit and Loss Account	3086.48	2111.63
<b>Amount Available for Appropriation</b>	<b>11851.17</b>	<b>4395.47</b>
<b>Appropriations:</b>		
Dividend on Equity Shares	2126.08	911.18
Tax on dividend	344.90	147.81
General Reserve	900.00	250.00
Balance carried to Balance Sheet	8480.19	3086.48

During the year under review, the Company achieved gross sales of Rs. 298 crore. The profit before depreciation, interest and tax was Rs. 209.03 (Rs. 68.90 crore in the previous year), which included gain on monetization of land after certain liabilities.

## 2. Dividend

The Directors recommend the dividend at 30% (i.e. Rs.3/- per share) on equity shares for the year ended on 31st March, 2013. The Directors are also pleased to recommend a one-time special dividend at 40% (i.e. Rs 4 per share) making a total dividend of 70% (i.e. Rs 7 per share). The total outgo on dividend would be Rs 24.70 crore including dividend distribution tax. The payment of dividend will be subject to the approval of the shareholders at the ensuing annual general meeting.



### **3. Company's Land at Dombivali**

During the year the Company monetized about 150 acres of land (out of 218 acres) at Dombivli for a total consideration of Rs. 440 crores. An upfront amount of Rs. 220 crores was received in January 2013. The proceeds were utilized for payment of State Government dues related to the land and to reduce other corporate liabilities. The Board is pleased to inform the members that the Company could conclude this land deal despite a very difficult real estate scenario.

### **4. Operations and Management Discussion & Analysis**

The current year's operations are covered in the Management Discussion and Analysis Report. This Management Discussion and Analysis Report, as stipulated under Clause-49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of this annual report.

### **5. Corporate Governance**

The Report on Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, forms part of this Annual Report.

### **6. Directors**

Mr. Rohan Shah resigned from the Board w.e.f 12.4.2013 due to increased professional commitments. The Board places on record its appreciation of the service rendered by Mr. Rohan Shah as an Independent Director and also as a member of the Investor Grievance Committee of the Company.

Mrs. Rohita Doshi and Mr. Dilip J. Thakkar retire by rotation in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offer themselves for reappointment.

### **7. Directors' Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956**

The Directors state that -

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year covered under this Report and of the profit of the Company for the year;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the annual accounts on a going concern basis.

In terms of the requirement of Accounting Standards, segment-wise results are shown in the notes to accounts.

## **8. Conservation of energy, technology, absorption & foreign exchange earnings & outgo**

The details as required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are provided in the annexure to the Directors' Report.

## **9. Fixed Deposits**

The Company has accepted the fixed deposits from public and shareholders during the year and has complied with all the regulatory requirements. At the end of the year, there were no unclaimed, unpaid or overdue deposits.

## **10. Particulars of Employees**

In term of notification dated 31-03-2011 issued by the Ministry of Corporate Affairs, Government of India, there are no employees covered under section 217(2A) of the Companies Act, 1956, in respect of whom, the particulars are required to be given.

## **11. Auditors**

M/s K.S. Aiyar & Co., Statutory Auditors, retire at the ensuing annual general meeting and are eligible for reappointment. The Audit Committee of the Board has recommended their reappointment. M/s K.S. Aiyar & Co. have, under Section 224(1) of the Companies Act, 1956, furnished the certificate of their eligibility for reappointment. Requisite resolution is being placed for the shareholders' approval.

## **12. Cost Audit**

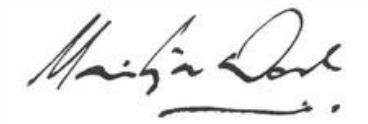
The Central Government, vide order dated 24th January, 2012 has prescribed cost audit for a number of industries, including engineering, machinery and motor vehicles, with effect from the financial year 2012-13. Accordingly the Board has appointed ABK & Associates, Cost Accountants (Regn. No. 000036) with the prior approval of the Central Government, to conduct audit of cost records for the Company's engineering, machinery and motor vehicles activities for the financial year 2012-13.

The Cost Audit Report would be filed with the Central Government within the prescribed time of 180 days from the close of the financial year.

### **13. Acknowledgement**

The Directors wish to express their appreciation of the continued support of the Company's customers, suppliers and bankers. The Directors also wish to thank employees, at all levels, for their contribution, and co-operation throughout the year.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Maitreya V. Doshi', with a horizontal line underneath.

**Maitreya V. Doshi**  
Chairman & Managing Director

April 30, 2013  
Mumbai

## Annexure to Directors' Report

### Conservation of energy

In view of acute energy shortages, the Company has taken special efforts for energy conservation. For this purpose, the power factor is continuously monitored and maintained to 1.00 (Unity) power on daily basis. On the basis of study of compressed air consumption, one compressor has been switched off resulting in a saving of 1200 KWH per day.

Employee awareness was created on how to use electrical energy efficiently by adopting good shop floor practices. An automatic switching system was installed to avoid over consumption of street light power. A manual change over switch was installed for CNC lathe machines, which helped reduced diesel generator power consumption. In the CNC Machine Division, two machines have been upgraded with new CNC controller. This has helped to increase productivity, thus reducing energy consumption.

### Expenditure on R&D

(₹ Lakhs)

Particulars	2012-13	2011-12
Expenditure on R&D	360.00	400.00

### Foreign exchange earnings and outgo

(₹ Lakhs)

Particulars	2012-13	2011-12
<b>Foreign Exchange Earnings:</b>		
FOB Value of Exports	227.69	156.53
<b>Foreign Exchange Outgo:</b>		
Imports (CIF value)	2851.57	4394.18
Foreign Travel	15.73	18.33
Others	2.25	3.99
<b>Total</b>	<b>2869.55</b>	<b>4416.50</b>

### Technology absorption

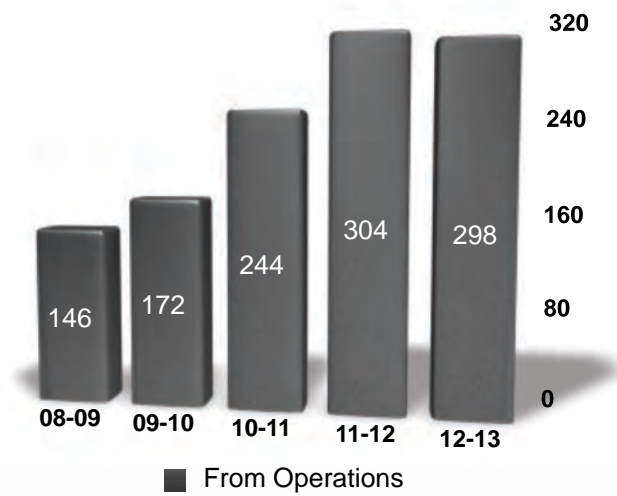
To cater to the need of automobile and engineering industries, the following new Products were developed in-house.

- 7 - Axis CNC Gear Hobbing Machine, Model : PHC - 250 with NC Tail Stock (Tail Stock as Servo Axis) and with Ring Type Autoloader 0 - 180 degree. This is an indigenous development in the Gear Hobbing machine to increase productivity by reducing cycle time.
- 6 - Axis CNC Gear Hobbing Machine

# Highlights

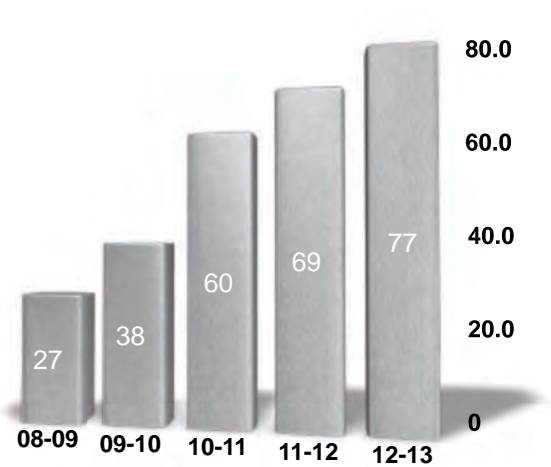
## Revenue

₹ Crores

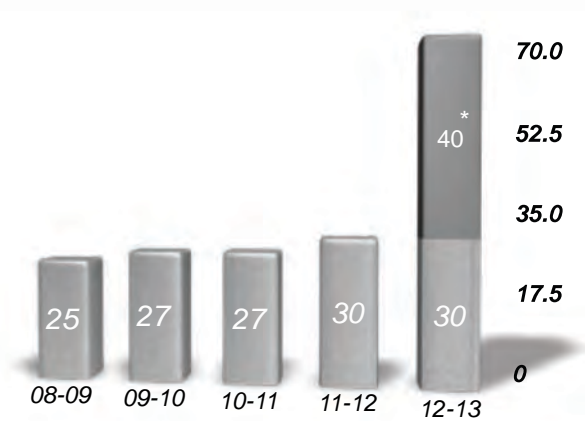


## EBITDA (operations)

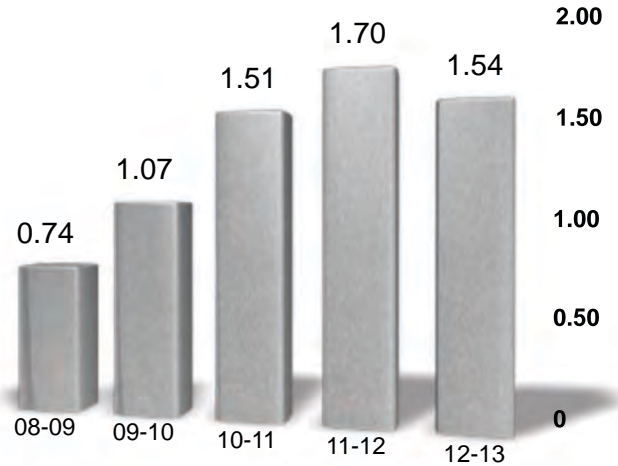
₹ Crores



## Dividend (%)

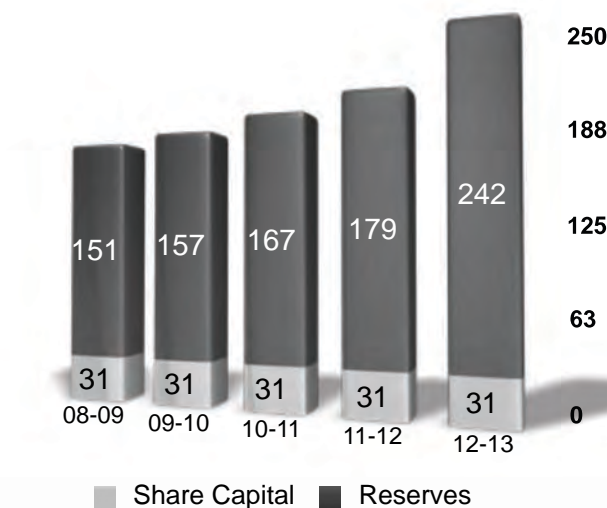


## Debt Equity Ratio

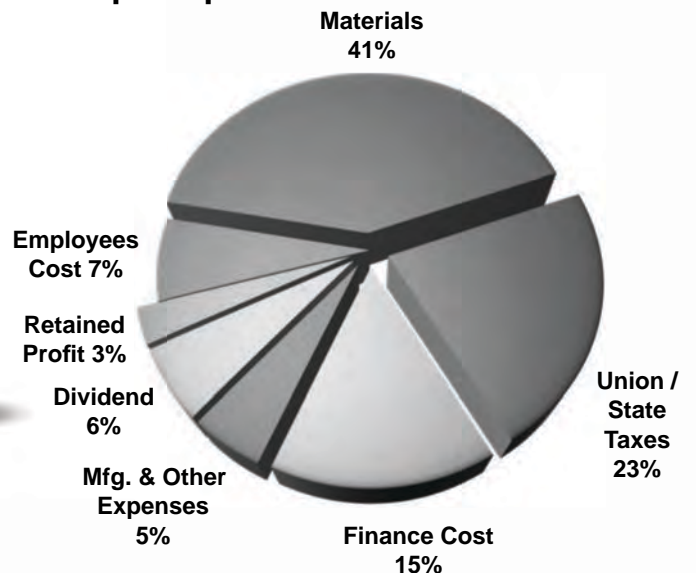


## Net Worth

₹ Crores



## Rupee Spent





# Management Discussion & Analysis Report



Premier's plant at Chinchwad, Pune

## Financial Review

### Sales Growth

The Company achieved gross sales of Rs. 298 crores in 2012-13 as against Rs. 304 crores in the previous year. The stagnant growth in sales was due to challenging industrial scenario in the country during the year under review.

### Profit & Margin Growth

The profit from operations before depreciation, amortization expense, interest and tax, was Rs. 209.03 (including Rs. 132.20 crores from net gain on sale of land after writing off non-recurring items) against Rs. 68.91 crores in the previous year. The net profit was Rs. 87.64 crores as compared to Rs. 22.84 crores in the previous year.

### Costs

The finance cost has increased from Rs. 42 crores to Rs. 52 crores on account of higher interest rates and increased borrowings to meet working capital requirements and short term obligations. The Company has undertaken a cost reduction programme during the year which has resulted in all round saving in costs.

### Leverage & Liquidity

The Company's unvalued Net Worth on 31st March, 2013, is Rs. 272 crores and the total debt is Rs. 420 crores. The debt-equity ratio is 1.54:1. If the revaluation of the Company's land is considered, the net worth is Rs. 513 crores and the debt-equity ratio on this basis is 0.81:1.

### Capital Expenditure

During the year, the Company incurred a capital investment of Rs. 91 crores towards factory buildings, plant & machinery and product development. Most of the Company's current capital investment plans have already been completed.

## Segment Review

The Company operates in two reportable segments: Engineering and Automotive. The Engineering segment has two activities: CNC Machines and Engineering. The Automotive segment consists of Light Commercial and Sports Utility Vehicles.



**CNC Vertical Machining Centres under testing**

## CNC Machines

### Industry Structure & Outlook

The year 2012-13 was marked by global uncertainties and slow down in the Indian economy. The Auto sector has shown much lower growth causing auto ancillaries to taper down capital investment during the year. This had an adverse impact on CNC gear machine sales. The Company's CNC machine business was also adversely affected due to a paucity of orders and deferred capital investment programmes by Railways, PSUs and large private sector customers. The uncertain business scenario is likely to be continued in 2013-14 due to lack of clarity in government policies and challenging business environment.

### Operations

During the year, the division sold 42 CNC machines at an average value of Rs. 175 lacs. While the Company continues to receive orders from BHEL, Railways, automobile manufacturers and auto ancillaries' locally, the Company is exploring sales tie-ups with dealers in countries like USA, Brazil, Germany, Italy and Turkey in order to achieve growth in business.

The Design Centre at Bangalore continues to undertake new product development and value engineering activity, which are vital for growth in CNC machine business. Quality improvement initiatives are undertaken on continuous basis and the norms are adhered to in line with market demand. The Company's manufacturing facilities are ISO 9001-2008 certified.

**Product Development** : The following products were developed during the year :

- CNC Gear Hobbing Machine – Model PHC Compact Version, With Tailstock as Servo Axis (7 th Axis), Ring type Autoloader
- CNC Gear Hobbing Machine – Model PHA 250 EGB, With Hob Head Swivel Servo Axis (6th Axis), With Tailstock as Servo Axis (7th Axis)
- CNC VTL Machine – Model PTC, Developed with continuous C Axis
- CNC Vertical Machining Centre – Model PVM 65, Totally new Design
- Special Purpose Machine – Model SPM, Totally new Design suitable for Connecting Rod Boring Operation

### **Business Strategy**

- Targeting new customers in new geographic segments : USA, Brazil, Turkey
- Rationalization of existing product portfolio
- Technological improvement in gear cutting machines to offer better solutions to customers and face growing international competition

### **Opportunities**

- Expected long term growth in the auto and auto ancillary sector
- Modernization plans and new projects in Defense and Railways
- Export potential

### **Threats, Risks and Concerns**

- Uncertain Government policies
- Sluggish market conditions
- Rupee – Dollar devaluation
- Competition from Taiwanese / Chinese Machines



**CNC Vertical Machining Center**



**Horizontal Machining Center**



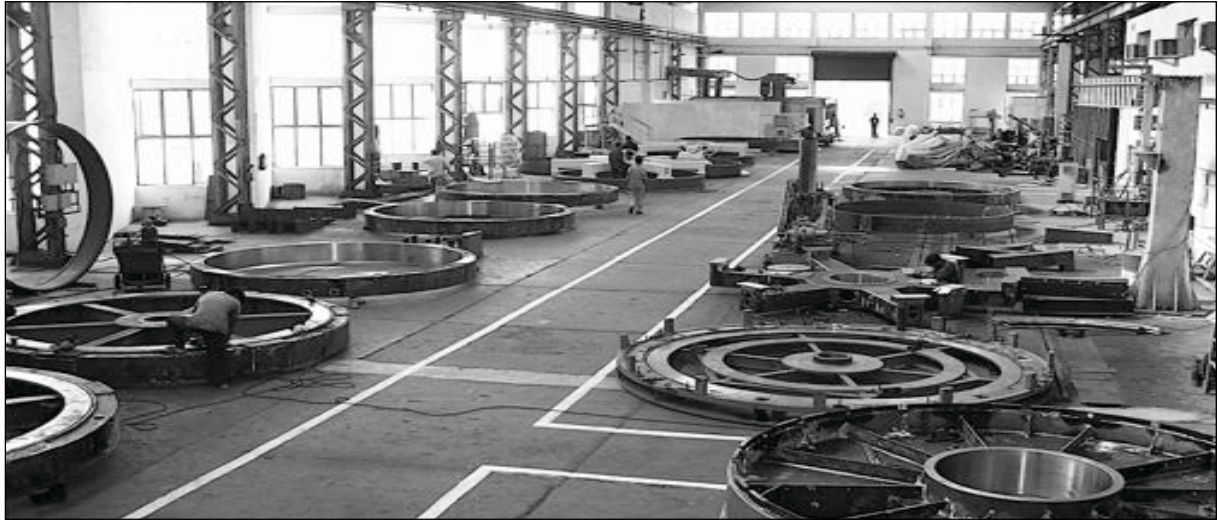
**CNC Gear Tooth Chamfering and Rounding Machine**



**CNC Vertical Turning Lathe**



## Heavy Engineering



Facility for wind turbine generator parts

### Industry Structure & Outlook

This business serves the general engineering and wind mill turbine sectors. Although there is a good scope for rapid growth in renewable energy, the wind mill turbine sector suffered a setback during the year due to uncertain government policies. This had an adverse impact on the wind mill turbine component business during the year.

### Operations

The Heavy Engineering division mainly manufactures and supplies wind mill turbine components for various customers like Wind World India Ltd and Regen Powertech. The Company has also commenced exports to Largerwey Wind of Netherlands.

This division has also successfully developed and is supplying Metro Bogie chassis frames to BEML. In fact, the Company is the only approved source in India by Delhi Metro Rail Corporation for Metro chassis frames.

The manufacturing lines in heavy engineering business are flexible and can be utilized for alternate products and product mix. The manufacturing facilities are ISO 9001 certified.



Precision machining of wind turbine parts on Premier's own made CVBM (Vertical Turning Lathe)



BEML Bogie Frame

## Product Development

- Six new components requiring precision fabrication, machining & painting for wind mill generator
- Wind turbine tower for World Wind India Ltd
- Wind turbine steel and forging parts for 2.5 MW capacity for export to Largerwey Wind, Netherlands
- Crusher frames required in mining sector for Sandvik mining equipment division
- SGI parts (turbine parts) like Hub & Main frame for 1.25 MW turbine

## Business Strategy

While the Company is well established in the Wind Mill Turbine Components business, the Management is in the process of increasing its focus on other sectors like infrastructure, power, mining equipments, Railways and Defence.

## Quality

The manufacturing facility is ISO 9001 – 2008 certified for Quality Management System. There is an “in-House” inspections facility with state-of-the-art imported equipment like unique 3D co-ordinate measuring machine of size 4000 x 3000 x 2000 mm.



**Manufacturing of Stator carrier of wind turbine parts having capacity of 800 KW - 1.2 MW**



**Employees using world class laser equipment for the inspection of wind mill tower flange flatness**



**In-house handling and movement of wind mill tower**



## Opportunities

- The wind energy sector offers strong opportunities for business growth due to global thrust on renewable energy. Due to the Company's high quality standards, new wind mill generator manufacturers are approaching it to develop their components.
- The Government of India proposes to double the renewable energy capacity in the country from present 25,000 MW to 55,000 MW by the year 2017.
- The other sectors like infrastructure, power, mining, Defence and Railways are also expected to grow rapidly in the next five years.

## Threats, Risks and Concerns

- Risk of revenue loss and profitability due to non-utilization of equipment in the short term, if a customer cancels an order.
- High dependence on the wind energy sector business. However, the Management is in the process of diversifying the business to other industries.
- Slow down in economy affecting infrastructural growth.

## Automotive



## Industry Structure & Outlook

There has been slow down in passenger car market with minus 4.26 % negative growth on year on year basis due to the general economic slow down. However, the utility vehicle market has grown by 52%, but the base of utility vehicle market is very low (3.70 lac vehicles) as compared to total passenger vehicle base (32 lac vehicles). It is expected that in the current year also passenger car market will continue to decline, due to general economic slow down, high interest rate etc., but utility vehicle market may continue to grow.

## Operations

During the year the Company introduced the 1.3 Ltr CRDi4 diesel engine on the RiO vehicle. This state-of-the-art engine is being procured from Fiat India.

With this engine the Premier RiO meets the Bharat Stage IV norms including On-Board Diagnostic-II (OBD-II).

Now Premier RiO is available in Petrol and Diesel across India.

During the year 20 new dealers were added, taking total dealership to 64 across India.

The Company also appointed 31 Premier Authorized Service Stations (PASS) to have better service and spares network in the market.

## Product Development

During the year under review, the 1.3 Ltr CRDi4 diesel engine manufactured by FIAT was fully integrated and homologated for the Premier RiO vehicle including OBD-II.

## Opportunities

The utility vehicle market continues to grow even in overall economic slow down and sluggish passenger vehicle market.

## Threats, Risks and Concerns

- Due to devaluation of the rupee verses the US\$ and the strengthening of the Chinese RMB, material cost has gone up, as many items used in the Premier RiO are imported from China.
- Competition in compact SUV's is increasing as all manufacturers including multinationals are launching their small SUV's.



RiO displayed at the Mumbai International Motor Show 2013



Premier RiO with its high ground clearance of 200 mm



RiO displayed at the Infinity mall at Andheri



Premier RiO India's first compact SUV

# Human Resources and Industrial Relations

The Company's Industrial relations remained cordial and harmonious throughout the year. The overall manpower strength is 1446, including 91 managerial personnel. The Company has 382 engineers and technicians constituting 81% of the total officer strength. Recruitment of qualified personnel to improve human resources is an on-going process.

Employee training at all levels is a key priority. Corporate training and technical skill building programs were conducted during the year for our employees. The main focus of training this year was on hard skills and technical training.

On an average, the cumulative man-days of training that took place during year was 600. Training highlights included Customer Service workshops for Sales and Marketing divisions, familiarization on the new Euro IV - CRDi4 engine for RiO dealers, CNC & Electrical Systems training, Electrical Design workshops for the CNC Machines division and Welding sessions for our Engineering division employees.

Some of the other trainings undertaken during this year were ISO awareness, Finance for Non-Finance executives and Statutory Compliance. This year there was a special focus on awareness sessions for Premier's women employees through the 'Women's Empowerment' series. These ranged from debates to panel discussions and outbound retreats.

Our officers were also nominated for numerous external seminars and certification programmes organized by IMTMA, BSE and the Indian Welding Society.



**Stress Management Workshop**



**Commercial Training - Engineering Division**



**Safety drill to diffuse a mock fire**



The Premier employees suggestion scheme called “i-Suggest” did very well this year with over 200 suggestions received. Out of the total suggestions received over 50 were implemented and appreciated and resulted in a gross saving of approx Rs. 50,00,000/-

The Management follows an Affirmative Action Employment policy. Currently, in the officer cadre 11% of our employee base comprises of women. Keeping in line with the bill passed by Indian Parliament on 26 Feb 2013, the Company also has a Sexual Harassment Cell in place.

In keeping with the Confederation of Indian Industry (CII) Code of Conduct for Affirmative Action, the Company has taken initiatives to increase the employability of the SC / ST category.

During the National Safety week from 4th to 11th March, '13 training sessions on Industrial safety, how to prevent accidents, and ESI norms were held to educate our employees about safety norms and medical facilities available.

In addition to the above, several health checks such as a bone density and blood sugar testing, heart disease prevention workshops for employees over 45 years of age were conducted.



**Women of Premier Ltd.**



**Safety officer explaining the different types of fire hydrants**



**The COEP students working on CNC machines donated by Premier Ltd. in the Vinod Doshi Memorial Production Engineering workshop at the COEP campus**

## Corporate Social Responsibility

The Company actively pursues a CSR (Corporate Social Responsibility) policy and several initiatives were undertaken during the year.



**A scene from the 5th Annual Vinod Doshi Memorial Theatre Festival**

This year the Company won several accolades for its CSR initiatives; Premier was cited in the CSR Good Book 2012 a compilation of CSR activities of the top corporates in India. The Company won awards in Corporate Affairs Leadership for its CSR initiatives. Premier ranked 6th among 158 companies for the Manufacturing Today Award for Excellence in Corporate Social Responsibility.



**Inauguration of the CSR Good Book**

The Annual Vinod Doshi Shikshan Yojna - a financial aid of up to Rs. 75,000/- was given to 10 needy and meritorious candidates this year. The award recipients used this aid to pursue higher education in various fields ranging from computer science to chemical engineering.



**First year topper at COEP and also a Vinod Doshi- COEP Merit scholar**

This year the Company also supported the 'Festival of Kindness' – a unique initiative designed to spread the joy of Diwali by sensitising people towards the effects of fire-crackers.



The Company sponsors the annual IMTMA (Indian Machine Tool Manufacturers' Association) Vinod Doshi Award for Outstanding Entrepreneurship in Machine Tools. This award is given to an outstanding first generation entrepreneur for building a Machine Tool Company in India.

This year the Company organized multiple factory visits for students and faculty of various colleges such as Sardar Patel Institute of Technology, Mumbai.

This year too for the third consecutive year, the Company was the official engineering partner for MINDSPARK '12, an inter-collegiate technical festival held from 5th to 7th October 2012. The Company sponsored 3 major events at the festival, namely Contraption, Premier Utkarsh and the CNC Lathe workshop.

The Company sponsored the 5th Annual Vinod Doshi Memorial Theatre Festival at the Yeshwantrao Chavan Natya Sabhagruha, Kothrud, Pune to promote and preserve Hindi, Marathi and Gujarathi theatre. The festival was attended by over 2500 Pune-ites including the Company's employees.

Like every year this year too, a blood donation camp was organized by the Company on 20th March 2013. A total of around 104 bottles of blood that were collected and were donated to Sahyadri Speciality Hospital.

The Company's 'Plant a Sapling for Every Employee' drive took on a larger responsibility for the community with 10,000 trees being planted in the Aundh Cantonment area of Pune, which is close to the Company's 30- acre plant at Chinchwad.

Premier and the Promoters' Charity Trust also supported a Children's Environment, Art & Theatre competition. The main idea of this was to make the children environmentally responsible citizens.



**IMTMA Vinod Doshi Award for Outstanding Entrepreneurship in Machine Tools**



**A performance by students at the Environment Art & Theatre competition for children**



**Students planting saplings on behalf of Premier Ltd.**



**Dr. Mohan Agashe, planting the 10,000th sapling on behalf of Premier Ltd.**

## **Information and Technology**

The Company uses a SAP-ERP system for all its activities. It invests regularly in upgrading the SAP infrastructure for better utility of the system. All maintenance and system activities are outsourced to local IP service providers. Resource planning, commercial and financial transactions are controlled through the SAP System.

## **Internal Controls**

The Company has set up adequate internal controls to ensure operational efficiency, safety of assets and efficient financial management. It has appointed an independent firm of Chartered Accountants to conduct regular internal audits. The Audit Committee of the Board reviews the internal controls and audit reports regularly. There is a Managing Committee consisting of senior functional heads & the Managing Director that meets once a month to review overall operations of the Company.

## **Patents**

Invention is an on-going process in the Company. The Company has, so far, filed 23 patents for processes & products. It is the endeavour of Management to encourage inventions of new products and processes in order to increase our patent portfolio. This shows strong technical and innovation skills developed in-house.

## **Cautionary Statement**

The Management Discussion and Analysis Report contain forward looking statements describing the Company's projections and estimates. These are based on certain assumptions and expectations of future events. The Company cannot guarantee the realization of projections as the actual results may differ due to factors like the price of raw materials, demand-supply conditions, changes in government regulations, tax structures, etc. which are beyond the control of Management. The Company assumes no responsibility in respect of forward looking statements which may undergo change on the basis of any subsequent developments, information or events.

# Report on Corporate Governance

## 1. Company's Philosophy on Code of Governance

The Board of Directors and Management lay great emphasis on adopting and practicing principles of good Corporate Governance with a view to achieve business excellence by enhancing long term shareholder value and the interest of all its stakeholders through sound business decisions, prudent financial management and a high standard of business ethics.

## 2. Board of Directors

The present strength of the Board is eight directors, comprising of six independent directors, as stated below:

Name	Category
Mr. Maitreya V. Doshi, Chairman & Managing Director	Executive [Promoter]
Mrs. Rohita M. Doshi	Non-Executive Director [Promoter]
Mr. S. Padmanabhan	Independent Non-Executive
Mr. Asit Javeri	Independent Non-Executive
Mr. Rohan Shah (upto 11.4.2013)	Independent Non-Executive
Dr. Udo Weigel	Independent Non-Executive
Mrs. Kavita Khanna	Independent Non-Executive
Mr. Dilip J. Thakkar	Independent Non-Executive
Mr. Ramesh Adige	Independent Non-Executive

## 3. Directors' Profile

A brief resume of all the Directors and names of companies in which they hold directorships/memberships/ chairmanships of the Board/Committees are provided below:

**Mr. Maitreya V. Doshi**, aged 50, is the Promoter and Chairman & Managing Director of the Company. He is an MBA from IMD (Switzerland) and B.A. (Econ.) from Stanford University, U.S.A. He has been associated with the Company for over 29 years starting as Manager - Management Services (1984 – 1988), then Vice President - Corporate Planning (1988 – 1993), followed by Executive Director (1993 – 1995) and finally Managing Director in 1995. He was appointed as Vice Chairman of the Board in 2007 and thereafter appointed as Chairman of the Board in 2008. He has been largely responsible for the strong turnaround of the Company's operations as well as development of new project activities such as the heavy engineering business.



Mr. Doshi has served CII (Confederation of Indian Industry) in his capacity as Chairman of the International Affairs Sub-Committee and the Family Business Committee. He also served as a member of the National Committee on Trade, the Western Regional Council and the National Council.

He was also a member of ARAI (Automotive Research Association of India), Pune, Western India Automobiles Association (WIAA), AIAM (Association of Indian Auto Manufacturers), Passenger Cars and MUV Committee of SIAM (Society of Indian Automobiles Manufacturers). He is an Executive Committee Member of SIAM. He has been nominated as a permanent member of the Executive Board of IMTMA (the Indian Machine Tool Manufacturers Association) and is a governing board member of the College of Engineering, Pune.

Mr. Doshi was a member of the Young Presidents' Organization (YPO) for the past 20 years and he also served on the YPO International Board for 3 years from '09 - '12. He was previously the founder Regional Chairman of YPO's South Asia Region. In 2004, he was YPO Bombay's Chapter Chair. Mr. Doshi has also set up new YPO Chapters in Colombo, Sri Lanka and Gujarat. He is currently a member of the World Presidents' Organization (WPO).

Mr. Doshi has received many international YPO awards including two 'Best of the Best' awards for Chapter Education and Global Networking as well as YPO's Leadership in Global Membership' award.

In 1993, Mr. Doshi was nominated by the World Economic Forum, Geneva as one of 200 Global Leaders of Tomorrow selected from all over the world. He was also the first Indian speaker at Automotive News World Congress, Detroit, USA in 1996.

Mr. Doshi is a Director of Doshi Holdings Pvt. Ltd., Vinod Shashank Chakor Pvt. Ltd. and DHPL Marine Pvt. Ltd., Premier Auto Ltd. and the Managing Trustee of Shri Lalchand Hirachand Premier Trust.



**Mr. S. Padmanabhan**, aged 73, is a M.Sc. (Physics) from Delhi University and Bachelor of General Law from Mumbai University. He has a diploma in Development Economics from University of Cambridge, U.K. and a Diploma in Management Accounting from Bajaj Institute of Management, Mumbai.

Mr. Padmanabhan was an I.A.S. Officer during which tenure he held various positions in the Government of Maharashtra, including Director - Tourism, Managing Director - SICOM, Commissioner, Aurangabad Division etc.

Mr. Padmanabhan has worked as Corporate Advisor to Bharat Forge Limited and later Deepak Fertilizers and Walchandnagar Industries Limited. During the last 20 years he has been associated with Videocon Group. He has wide experience in industrial projects, finance and administration.

Mr. Padmanabhan is a Director of Videocon Industries Ltd., Videocon Power Ltd., Videocon Energy Holdings Ltd., Sudarshan Chemicals Industries Ltd., Desai Brothers Ltd., Rajkumar Forge Ltd., Force Motors Ltd., Sanghvi Movers Ltd., Aquapharm Chemicals Pvt. Ltd., Pipavav Energy Pvt. Ltd. & Chattisgarh Power Ventures Pvt. Ltd.





**Mr. Asit Javeri**, aged 56, holds a Bachelors Degree in Science from Mumbai University. He is an industrialist with over 29 years of experience in chemical industry. Currently, he is Chairman and Managing Director of Sadhana Nitrochem Ltd and has been actively involved in the major expansion and diversification projects of the Company thereby propelling it to a Star Export House status.

Mr. Javeri is a Director of Sadhana Nitro Chem Ltd., Indian Extractions Ltd., Phthalo Colours & Chemicals (I) Ltd., Lifestyle Networks Ltd., Manekchand Panachand Trading Investment Co. Pvt. Ltd., Anuchem B.V.B.A., Belgium, Strix Wireless Systems Pvt. Ltd., Chandra Net Pvt. Ltd., Anuchem pte Ltd., Singapore, Strix System Inc, USA and AHANA Inc, USA.



**Mrs. Rohita M. Doshi**, aged 53, is the wife of Mr. Maitreya V. Doshi and a Promoter of the Company.

Mrs. Doshi has a BS and MS with high Honors in Computer Engineering from the Case Institute of Technology, Case Western Reserve University, Cleveland, USA and has also completed her Ph.D. Research on distributed databases and systems in Computer Engineering. She was the recipient of various scholarships and research assistantships as well as the winner of the Jennings Award for Excellence in Computer Engineering.

Mrs. Doshi started her career as a Research and Development Engineer at Hewlett Packard, Cupertino, CA, USA. She has designed and implemented a state of the art compiler for RISC architecture machines and other HP computers. She also worked as a Systems Analyst/Research Associate for SOHIO (Standard Oil of Ohio), Cleveland, USA.

Mrs. Doshi co-founded Soukurry.com (India) Pvt. Ltd. in 2000, which launched India's first women's internet portal/website with over 50,000 registered members. She is currently the promoter of Art Point Pvt. Ltd. that consults and deals in contemporary Indian art, promoting artists, holding exhibitions and sales.

Mrs. Doshi has also been a speaker at conferences such as TIE on IT, chaired the IT committee of IMC Ladies" Wing and been Chairperson of Continuing Education Committee IMC Ladies" Wing. She was featured as an entrepreneur in International Business Week magazine and Asia Week magazine and has appeared on TV shows like Movers & Shakers. Mrs. Doshi is a Director of Art Point Pvt. Ltd., Doshi Holdings Pvt. Ltd. and DHPL Marine Pvt. Ltd.



**Dr. Udo Weigel**, aged 71, is a German national. He is a Graduate in Mechanical Engineering/Manufacturing, Technology and holds a Doctorate Degree in Research on gear hobbing from RWTH Aachen University, Germany.

Dr. Weigel has over 4 decades of experience in the machine tool industry, having worked with Pfauter, a leading gear hobbing



machine manufacturer in Europe, for more than 26 years in various capacities including Managing Director of Engrenasa Sorocaba Brazil and Pfauter Italia SPA. He is a Managing ADD Engineering in Germany.

His professional experience includes guiding collaborators in different countries; process planning on component, group and complete product level; development of complex products; material flow analysis, automation concepts; public funded research projects (European Community); marketing concepts, sales strategies, customer contacts, development road mapping; consulting; evaluation and purchase of production means and facilities; technical due diligences; business plans, etc.



**Mrs. Kavita Khanna**, aged 51, has done her B.Sc (Econ.) from London School of Economics, U.K. She also holds a Masters Diploma in Law and Practice from City University, London, U.K. and is a Barrister of Law from U.K.

Mrs. Khanna is a Financial and Legal Consultant and is currently working in the area of Public Health to eliminate Kala Azar. Mrs. Khanna is a member of the India Council of the World Forum for Ethics in Business and is a member of the India Board of the International Association for Human Values.

Mrs. Khanna was President (Business Development) of Bharat Serums and Vaccines Ltd. Previously she has also been Partner, Economic Laws Practice. She did independent practice in the Mumbai High Court and continues to be the member of the Mumbai Bar Council.

She has served various organizations in different capacities such as serving on the National Executive of the Bhartiya Janata Party from 2010 to 2013, the Vice Chair of ASSOCHAM Committee of Human Resource Development, Member of Managing Committee of Indian Merchants' Chambers, Chairperson of the Industrial Relations and Labour Law Committee of CII, WR, Member of the Board of Trustees of Jawaharlal Nehru Port Trust & Chairperson of the IMC Committee for Human Resource Development.

She has worked closely with Prime Minister's office, Central Govt., Maharashtra Govt. and Indian Industry for reform of Labour Laws and Expert consultant to the Second Labour Commission.

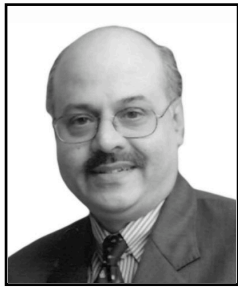
Mrs. Khanna is a Director of Bharat Radiators Pvt. Ltd.; Bharat Radiators Industries Pvt. Ltd. and Vista Communications Pvt. Ltd.



**Mr. Dilip J. Thakkar**, aged 76, is a fellow member of the Institute of Chartered Accountants of India. He is a senior partner of M/s Jayantilal Thakkar & Co., Chartered Accountants & M/s Jayantilal Thakkar & Associates, Chartered Accountants, Mumbai. He received his B.Com. and L.L.B. degrees from Bombay University in 1957 and 1959, respectively.

Mr. Thakkar is an eminent Chartered Accountant and has over fifty years of experience in Finance and Corporate matters. He specializes in the Foreign Exchange Management Act, and has advised overseas corporations and large Indian Companies on Investments, taxation and collaboration. He is a trustee of the HSBC Mutual Fund.

Mr. Thakkar is a Director on the Board of many Listed and Unlisted Public and Private Companies namely Poddar Developers Ltd., Panasonic Energy India Co. Ltd., Essar Oil Ltd., The Ruby Mills Ltd., PAE Ltd., Himatsingka Seide Ltd., Walchandnagar Industries Ltd., Indo Count Industries Ltd., Garware Polyester Ltd., Modern India Ltd., Magus Estate & Hotels Ltd. , & Westlife Development Ltd. Rajasvi Properties Holdings Private Ltd., Starrock Investments & Trading Private Ltd., Blueberry Trading Company Pvt. Ltd., Essar Ports Ltd., Township Real Estate Developers Pvt. Ltd., Hamlet Construction (India) Private Ltd., Windmere Hospitality (India) Private Limited, Skidata (India) Private Limited, Ameya Logistics Pvt. Ltd. and Universal Trustees Pvt. Ltd.



**Mr. Ramesh Adige**, aged 62, is a Masters in Business Administration with specialization in Marketing from the renowned Faculty of Management Studies, University of Delhi and holds a B.E. (Honours) degree from the prestigious Birla Institute of Technology and Science (BITS), Pilani. Until recently, Mr. Adige was President of Ranbaxy Laboratories, India's largest pharmaceutical company with world-wide foot prints, selling its products in 125 countries.

He has 38 years of extensive and wide-ranging experience in the areas of Corporate Policy, Public Affairs & Public Policy, Strategic and Perspective Planning, External Relations and the broader spectrum of Business Activities including Joint Ventures, Technical & Financial collaborations. He is an active participant in the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce & Industry (FICCI) and headed CII's Task Force on IP Policy. He was Chairman of Health Committee of PHD Chamber of Commerce and Industry for 2 years. He is the Co – Chairman of PHD Chamber's Committee on Corporate Affairs. Ramesh is a member of the Round Table on Skills Development instituted by the Ministry of Human Resource Development, Govt. of India.

Before joining Ranbaxy, in 2004, Ramesh was Executive Director in Fiat India. He has considerable exposure to both direct & indirect marketing in the consumer durable and automobile industries. He has also served as President of the Governing Council of the Automotive Research Association of India, a premier institution for testing, homologation, validation and certification for all automobiles in India, having more than 500 Research scientists and engineers in its fold. Recognising his contribution to the Auto Industry, the Ministry of Heavy Industries and Public Enterprises, had inducted him as Member of the Development Council for Automobiles and Allied Industries. Ramesh was an active participant in SIAM activities. He is credited with some high level public policy successes viz ending the

monopoly in Government R/Cs for cars and separately in Defense purchases and also getting a level playing field introduced in all fiscal issues involving the Union Budget, and State sales tax.

Mr. Adige is a Director on the Board of Syndicate Bank and Fortis Malar Hospitals Ltd. He is also a Member of the Governing Council of T. A. Pai Management Institute, Manipal and a Member of the Board of Governors of the Indian Institute of Corporate Affairs. He is a Co-opted Member of the Biodiversity Foundation of NCT of Delhi, constituted by a Gazette Notification of Government of India.

#### 4. Board Meetings and Attendance

Five (5) Board meetings were held during the financial year ended on 31st March, 2013.

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated prior to the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meetings to enable the Board to take informed decisions.

The dates on which meetings were held are as follows:

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	24.04.2012	9	7
2	08.08.2012	9	7
3	24.08.2012	9	3
4	23.10.2012	9	6
5	06.02.2013	9	8

Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director/Member.

Name of Director	Category of Directorship	Number of Board meetings attended	Attendance at the last AGM held on 24th August, 2012	Number of Directorships in other public limited companies	Number of committee positions held in other companies	
					Chairman	Member
Mr. Maitreya V. Doshi Chairman & Managing Director	Executive (Promoter)	5	Yes	-	-	-

Mrs. Rohita M. Doshi Computer Engineer	Non-Executive (Promoter)	4	-	-	-	-
Mr. S. Padmanabhan I.A.S (Retd.)	Independent Non-Executive	5	Yes	8	-	8
Mr. Asit Javeri Industrialist	Independent Non-Executive	4	-	4	3	3
Dr. Udo Weigel Machine Tool Technologist	Independent Non-Executive	4	-	-	-	-
Mrs. Kavita Khanna Management and Legal Consultant	Independent Non-Executive	2	-	-	-	-
Mr. Dilip J. Thakkar Chartered Accountant	Independent Non-Executive	4	-	13	5	4
Mr. Ramesh Adige Industry Expert - Automotive, Pharma, Banking, Healthcare & Public Policy	Independent Non-Executive	3	Yes	2	2	5

Note : Mr. Rohan Shah resigned as Director w.e.f 12.04.2013

## 5. Audit Committee

The Audit Committee consists of 4 Non-Executive, Independent Directors namely Mr. S. Padmanabhan, Mr. Asit Javeri, Mrs. Kavita Khanna and Mr. Dilip J. Thakkar. Mr. S. Padmanabhan is a Chairman of the Audit Committee. Mr. Ramesh M. Tavhare, Vice President (Finance and Legal) & Company Secretary is the Secretary of the committee.

Four (4) meetings were held during the year on 24th April, 2012, 8th August, 2012, 23rd October, 2012 and 6th February, 2013. The Audit Committee has been mandated with the terms of reference as are specified in Clause-49 of the Listing Agreement with the Stock Exchanges.

Attendance of Directors at the Audit Committee Meeting held during the financial year:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. S. Padmanabhan	4	4
Mr. Asit Javeri	4	4
Mrs. Kavita Khanna	4	2
Mr Dilip J. Thakkar	4	4

## 6. Remuneration Committee

The Remuneration Committee consists of 3 Non-Executive, Independent directors, namely Mr. S. Padmanabhan, Mr. Asit Javeri and Mr. Udo Weigel. Mr. S. Padmanabhan is the Chairman of the Committee. The Committee is appointed with the terms of reference of deciding the remuneration of executive and non-executive directors. During the year meeting of the Committee was held on 24th April, 2012.

Attendance of Directors at the Remuneration Committee Meeting held during the financial year:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. S. Padmanabhan	1	1
Mr. Asit Javeri	1	1
Mr. Udo Weigel	1	1

## 7. Remuneration Policy

The Company pays remuneration by way of salary, allowances and perquisites to the Chairman & Managing Director as approved by the Board of Directors and shareholders of the Company. Each Non-Executive Director is paid a sitting fee of Rs. 20,000/- per meeting of the Board/Committee. Apart from this, the Company pays commission to Non-Executive Directors in absolute figures.

Details of remuneration of the Directors during the period 1st April, 2012 to 31st March, 2013 are as follows:

Name of the Director	(₹ Lakhs)		
	Salaries, Perquisites contribution to Provident Fund and Superannuation	Sitting Fees	Total
Mr. Maitreya V. Doshi	52.32	-	52.32
Mrs. Rohita M. Doshi	-	0.80	0.80
Mr. S. Padmanabhan	-	2.40	2.40
Mr. Asit Javeri	-	2.60	2.60



Mr. Rohan Shah	-	-	-
Mr. Udo Weigel	-	1.00	1.00
Mrs. Kavita Khanna	-	1.20	1.20
Mr. Dilip J. Thakkar	-	1.60	1.60
Mr. Ramesh Adige	-	0.60	0.60

The Company does not have any Stock Option Scheme.

## 8. Shareholding of Non-Executive Directors as on 31st March 2013

Sr.	Name of the Director	No. of shares held
1	Mr. Dilip J. Thakkar	740
2	Mr. S. Padmanabhan	NIL
3	Mr. Asit Javeri	14,300
4	Mrs. Rohita M. Doshi	200
5	Mr. Rohan Shah	NIL
6	Dr. Udo Weigel	NIL
7	Mrs. Kavita Khanna	14,000
8	Mr. Ramesh Adige	NIL

## 9. Shareholders' Grievance Committee

This Committee consists of 4 Non-Executive Independent Directors namely Mr. Asit Javeri, Mr. Rohan Shah (till 11.04.13) Mrs. Kavita Khanna and Mr. Ramesh Adige (w.e.f 30.04.13). Mr. Asit Javeri is the Chairman of the Committee.

The functioning and terms of reference of the Committee are as prescribed and in due compliance with the Listing Agreement with the Stock Exchanges and include reviewing existing Investor Redressal System, redressing of shareholder complaints like delay in transfer of shares, non-receipt of balance sheet, non-receipt of dividend warrant, etc. and suggesting improvements in investor relations.

Four (4) meetings of the Committee were held during the year on 24th April, 2012, 8th August, 2012, 23rd October, 2012 and 6th February, 2013. Attendance of Directors at the Investors'/Shareholders' Grievance Committee Meeting held during the financial year:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Asit Javeri	4	4
Mr. Rohan Shah	4	-
Mrs. Kavita Khanna	4	2

Mr. Ramesh M. Tavhare, Vice President (Finance and Legal) & Company Secretary is the Compliance Officer.

The Company's shares are tradable only in demat form. The investor complaints are promptly attended by the Compliance Officer.

Statement of the various complaints received and cleared by the Company during the year ended on 31st March, 2013:

Sr. No.	Subject	Received (Nos.)	Cleared (Nos.)	Pending
1	Non Receipt of Share Certificate	18	18	0
2	Non Receipt of Dividend	61	61	0
3	Non Receipt of Annual Report	6	6	0
4	Non Receipt of Rejected Demat Request Form	1	1	0
5	Non Receipt of Exchange Certificate	0	0	0
6	Non Receipt of Bonus Certificates	0	0	0
7	Non Receipt of REP/SPL/CON/DUP Certificates	1	1	0
8	Others	0	0	0
<b>Total</b>		<b>87</b>	<b>87</b>	<b>0</b>

## 10. General Body Meetings

(a) Details of location and time of holding of last three AGMs

AGM for the financial year ended	Venue	Date	Time	No. of Special Resolutions passed
64 <sup>th</sup> AGM 31st March, 2010	Mumbai-Pune Road, Chinchwad, Pune-411 019	30th August, 2010	11.00 a.m.	2
65 <sup>th</sup> AGM 31st March, 2011	Mumbai-Pune Road, Chinchwad, Pune-411 019	11th June, 2011	12.00 noon.	2
66 <sup>th</sup> AGM 31st March, 2012	Mumbai-Pune Road, Chinchwad, Pune-411 019	24th August, 2012	10.00 a.m.	1

(b) No resolution was passed by Postal Ballot during the year.

## 11. Disclosures

**(a) Materially Significant related party transactions:** The particulars of transactions between the Company and its related parties as per the Accounting Standard -18 are set out at Note 35(b) in Notes to Accounts in the Annual Report. These transactions are not likely to have any conflict with Company's interest.

**(b) Management Disclosures:** The Senior Management Personnel have been making disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management Personnel has entered into any such transactions during the year.

**(c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years:** The Company has complied with the requirements of the Listing Agreement with the Stock Exchanges as well regulations and guidelines prescribed by SEBI.

There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

**(d) Risk Management Framework:** The Board of Directors has adopted the Risk Assessment Procedure. The procedure provides an approach by the top Management to identify potential events that may affect the Company, to manage the risk within its risk appetite and to provide reasonable assurance regarding the achievement of objectives of the Company. The Senior Management prioritizes the risk and finalizes the action plan for mitigation of the key risks.

**(e) Compliance with the Non- Mandatory Requirements:** As regards non-mandatory requirements of Corporate Governance norms, the Company has complied with the constitution of the Remuneration Committee.

## 12. Means of communication

The quarterly, half yearly and annual results are published in English in "Free Press Journal" and in Marathi in "Nav Shakti". The Company does not send its half yearly report to each shareholder.

The financial results and official news releases are also available on the Company's website at [www.premier.co.in](http://www.premier.co.in)

No presentations were made to institutional investors or to the analysts during the year.

### 13. General shareholder information

The financial year of the Company is for a period of 12 months from 1st April to 31st March every year.

AGM: Date, time and venue	67th Annual General Meeting on Friday, the 14th June, 2013 at 10.00 am at the Registered Office of the Company
Date of Book Closure	Tuesday, the 4th June, 2013 Friday, the 14th June, 2013
Dividend payment date	On or after 17th June, 2013
Financial Calendar (Tentative)	
Results for quarter ending June 30 '13	Last week of July, 2013
Results for quarter ending September 30 '13	Last week of October, 2013
Results for quarter ending December 31 '13	Last week of January, 2013
Results for quarter ending March 31 '14	April, 2014
Listing of Company's shares	The Company's shares are listed on BSE and National Stock Exchange of India Ltd.
Scrip Code	500540 on BSE Ltd., PREMIER on NSE
ISIN Number	INE342A01018

### 14. Investor Services

The Company has appointed M/s Link Intime India Pvt. Ltd., (Formerly known as Intime Spectrum Registry Ltd.) whose address is given below, as its Registrar and Transfer Agents. The Registrar handles all matters relating to the shares of the Company including transfer, transmission of shares, dematerialization of share certificates, subdivision/consolidation of share certificates and investor grievances.

**Link Intime India Pvt. Ltd. :**

**Unit: Premier Ltd.**

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup [West], Mumbai – 400 078

Tel. No. [022] 2594 6970 - 6978, Fax No. [022] 2594 6969

Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### 15. Share Transfer System

All the transfers received are processed by Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 15 days from the date of lodgment if documents are complete in all respects. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

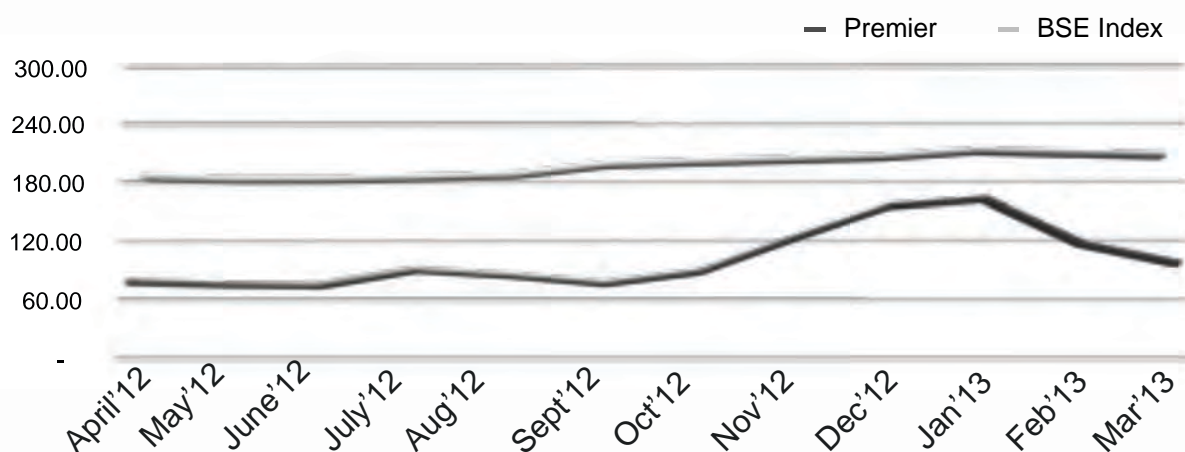
## 16. Dematerialization of shares

The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March, 2013, 90.15% of the equity shares have been dematerialized.

## 17. Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding GDRs/ADRs. During the year no conversion took place and hence there was no effect on Equity Capital of the Company.

## 18. High/low of market price of the Company's shares traded on the Stock Exchange upto 31<sup>st</sup> March 2013



Period	Premier's Share Price (Rs)		BSE SENSEX	
	High	Low	High	Low
April 2012	72.90	64.50	17,664.10	17,010.16
May 2012	70.55	65.35	17,432.33	15,809.71
June 2012	69.50	64.00	17,448.48	15,748.98
July 2012	84.50	65.25	17,631.19	16,598.48
August 2012	79.30	64.00	17,972.54	17,026.97
September 2012	71.50	62.90	18,869.94	17,250.80
October 2012	82.70	67.25	19,137.29	18,393.42
November 2012	115.00	74.00	19,372.70	18,255.69
December 2012	145.00	110.20	19,612.18	19,149.03
January 2013	151.40	96.45	20,203.66	19,508.93
February 2013	109.00	81.35	19,966.69	18,793.97
March 2013	90.35	65.15	19,754.66	18,568.43

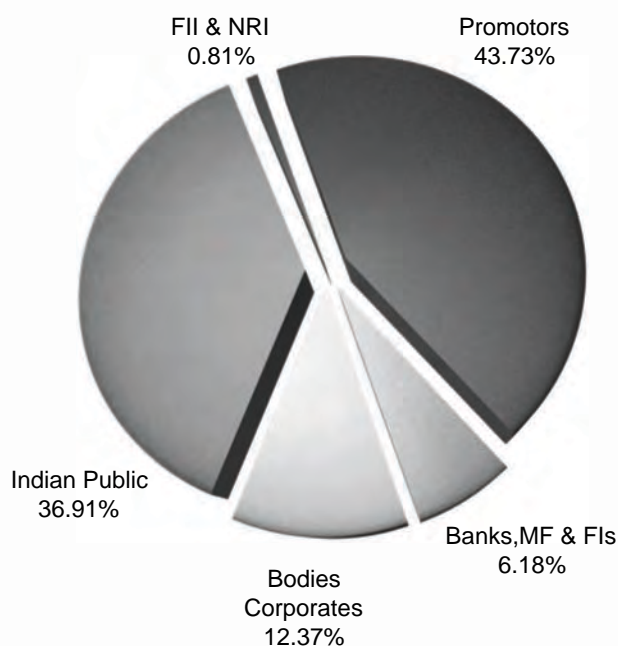


## 19. Distribution of shareholding as on 31st March, 2013

Shareholding of nominal value	Folios		Amounts	
	Number	% to total	Rs	% to total
(1)	(2)	(3)	(4)	(5)
1 - 5000	33,385	93.60	3,67,42,720	12.10
5001 - 10000	1,284	3.60	98,97,270	3.26
10001- 20000	454	1.27	68,92,430	2.27
20001- 30000	162	0.45	42,03,810	1.38
30001- 40000	71	0.20	25,74,060	0.85
40001- 50000	73	0.21	34,07,310	1.12
50001- 100000	110	0.31	75,58,770	2.49
100001 and above	129	0.36	23,24,49,330	76.53
<b>Total:</b>	<b>35,668</b>	<b>100.00</b>	<b>303725700</b>	<b>100.00</b>

## 20. Shareholding pattern as on 31st March, 2013

Category	No. of shares	%
Promoters	1,32,82,885	43.73
Mutual Funds and UTI	12,074	0.04
Banks, Financial Institutions & Insurance Companies	18,64,164	6.14
FII's	1,54,800	0.51
Bodies Corporate	37,57,281	12.37
Indian Public	1,12,11,418	36.91
NRIs/Foreign Nationals	89,948	0.30
<b>Total:</b>	<b>3,03,72,570</b>	<b>100.00</b>



## 21. Code of Conduct

As required by clause 49 I (D) of the Listing Agreement, the Company has formulated a Code of Conduct for all Directors and Senior Management of the Company and the same has been adopted by the Board. The Code is also available on the Company's official website. All the Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

### Plant Location Address for Correspondence :

**Premier Ltd.**

Mumbai – Pune Road  
Chinchwad  
Pune – 411 019  
Maharashtra  
Tel: 020-6631 0000  
Fax: 020-6631 0371

**Premier Ltd.**

58, Nariman Bhavan,  
5th Floor, Nariman Point  
Mumbai - 400 021  
Tel: 022-6117 9000  
Fax: 022-6117 9003  
Email: investors@premier.co.in

**Link Intime India Pvt Ltd.**

C-13, Pannalal  
Silk Mills Compound  
L. B. S. Marg, Bhandup  
(West) Mumbai – 400 078  
Tel: 022-2594 6970 - 78  
Fax: 022-2594 6969  
Email: rnt.helpdesk@linkintime.co.in

## 22. CEO / CFO Certification

The Company is duly placing a certificate to the Board from the Chairman & Managing Director and Vice President - Finance in accordance with the provisions of Clause 49 (V) of the Listing Agreement. The aforesaid certificate duly signed by the Chairman & Managing Director and the Vice President - Finance in respect of the financial year ended 31st March, 2013 has been placed before the Board in the meeting held on 30th April, 2013.

## Declaration

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management of the Company.

All the Board Members and the Senior Management Personnel have affirmed their Compliance with the respective Codes.

Maitreya V. Doshi  
Chairman & Managing Director

Date : April 30, 2013

Place : Mumbai

# Auditors' Certificate on Corporate Governance

## To the Members of Premier Limited

We have examined the compliance of conditions of Corporate Governance by Premier Limited, for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s). The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No. 100186W

Raghuvir M. Aiyar  
Partner  
Membership No. 38128

Place: Mumbai  
Date: 30th April '13

# Independent Auditors' Report

## To The Members of Premier Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Premier Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **Emphasis of Matter:**

We draw attention to:

Note 27(1) and 27(2) to the financial statements regarding Excise Duty payment of earlier years amounting to Rs.4928.80 Lacs and Intangible assets under development written off amounting to Rs.12600.38 Lacs for the reasons detailed therein.

Note 9(a, b and c) to the financial statements regarding Sale of certain Land for Rs. 44000 Lacs, non-recognition of income in respect of compensation receivable against compulsory acquisition of certain Land of the Company by Railways as amount is unascertained and release of revaluation reserve of Rs.26013.09 Lacs upon sale of Land to the Statement of Profit and Loss.

Our opinion is not qualified in respect of these matters.

## **Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of section 211 of the Act;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For K.S.Aiyar & Co.  
Chartered Accountants  
Firm Registration No. 100186W

Raghuvir M. Aiyar  
Partner (M No.- 38128)

Place : Mumbai  
Date : 30th April '13

# Annexure

Re: Premier Limited

Referred to in paragraph 1 of our Report on **Other Legal and Regulatory Requirements**

- (i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on physical verification were not material and properly dealt with in the books of account.

c. The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us; we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company.
- (ii) a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c. In our opinion and according to the explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and properly dealt with in the books of account.
- (iii) a. The Company has granted unsecured loans to one company covered in the register maintained under section 301 of the Companies Act, 1956 wherein the balance recoverable as at the year end is Rs.154 Lakhs. (Maximum balance during the year Rs.154 Lakhs).

b. The above Loan has been given to an entity wherein the Company has also made strategic investment and therefore it is interest free. We have been informed by the management that in view of the revival plan envisaged, the rate of interest and other terms and conditions of loans given by the Company, secured or unsecured to the said party listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima-facie, prejudicial to the interest of the Company.

c. In respect of the above loan granted there is no stipulation as regard receipt/ renewal of the principal amount.

d. There is no overdue amount of more than rupees one lakh of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

- e. The Company has taken unsecured loan from seven parties listed in the register maintained under section 301 of the Companies Act, 1956 wherein the balance payable as at the year end is Rs. 1595 Lakhs (Maximum balance outstanding during the year Rs. 2020 Lakhs).
  - f. In our opinion and according to the explanations given to us, the rate of interest and other terms and conditions of the aforesaid loan are not, prima facie prejudicial to the interest of the company.
  - g. In our opinion and according to the explanations given to us, the company is regular in paying the principal and interest as stipulated.
- (iv)** In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- (v)**
- a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
  - b. There are no transactions made for purchase or sale of goods or services exceeding the value of five lakh rupees in respect of any party listed in the register maintained under section 301 of the Companies Act, 1956.
- (vi)** In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vii)** In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii)** We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records for determining whether they are accurate or complete.
- (ix)**
- a. The company is generally regular in depositing with appropriate authorities undisputed statutory dues regarding wealth tax, customs duty, excise duty, cess and other statutory dues applicable to it.
  - b. According to the records of the Company, there are no undisputed dues payable in respect of provident fund, employees' state insurance, income-tax,



sales tax, service tax which are outstanding for more than six months from the date they become payable as of 31st March, 2013. Investor Education and Protection Fund of Rs.0.21 lakhs has remained unpaid for a period of more than six months from the date it has become payable. The same has been retained by the Company as per the orders of the Kolkata High Court.

- c. According to the records of the Company, the disputed statutory dues on accounts of sale tax, income-tax, customs tax/wealth-tax, service Tax, excise duty/cess which have not been deposited on account of any dispute are as follows:

Sr. No	Name of the Statute	Nature of the Dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where between dispute is pending
1	The Central Excise Act	Penalty	10.00	1997 to 2000	The matter has referred back to the Commissioner of Central Excise for denovo adjudication by CESTAT.
2.	The Central Excise Act	Excise Duty Penalty	4.92 0.50	July, 1996 to Sept., 1996	The matter has referred back to the Commissioner of Central Excise for denovo adjudication by CESTAT.
3.	FEMA	Penalty	65.49	1996-97	The Special Director (Appeals) FEMA &, Commissioner of Income Tax (Appeals-6) Mumbai vide order dated 14.12.2012 has referred back the matter to Assistant Director (Directorate of Enforcement), Mumbai for fresh adjudication.
4.	The Central Excise Act	Excise Duty	26.43	May, 1992 to Sept., 1992	CESTAT
5.	The Central Excise Act	Excise Duty Penalty	11.10 11.10	June, 1989	CESTAT

- (x) The Company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and also during the immediately preceding financial year.

- (xi)** In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank during the year.
- (xii)** The Company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii)** The Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv)** In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Order are not applicable to the company.
- (xv)** The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi)** In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised.
- (xvii)** According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment/ applications.
- (xviii)** The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix)** The Company has not issued any secured debentures during the year nor has any outstanding debentures during the year.
- (xx)** The Company has not raised money by public issues during the year.
- (xxi)** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit

For K. S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No. 100186W

Raghuvir M. Aiyar  
Partner (M No.- 38128)

Place : Mumbai  
Date: 30<sup>th</sup> April '13

# Balance Sheet as at 31st March 2013

	Note No.	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
a) Share Capital	2	3039.95	3039.95
b) Reserves and surplus	3	48284.91	68004.29
		<b>51324.86</b>	<b>71044.24</b>
<b>Non Current Liabilities</b>			
a) Long term borrowings	4	34130.11	16938.75
b) Deferred tax liabilities(net)	15	1399.70	0.00
c) Other long term liabilities	5	10.07	24.37
d) Long term provisions	6	670.93	650.63
		<b>36210.81</b>	<b>17613.75</b>
<b>Current Liabilities</b>			
a) Short term borrowings	7	5832.08	9673.15
b) Trade Payables	8	8079.91	10025.93
c) Other current liabilities	8	5297.10	11411.87
d) Short term provisions	6	5368.27	1796.68
		<b>24577.36</b>	<b>32907.63</b>
<b>Total Equity and Liabilities</b>		<b>112113.03</b>	<b>121565.62</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	9	55148.67	75883.24
ii) Intangible Assets	10	4178.05	82.24
iii) Capital work-in-progress		1900.82	9494.75
iv) Intangible Assets under development	11	0.00	11821.52
b) Non current investments	12	364.92	362.97
c) Deferred tax assets (net)	15	0.00	1158.00
d) Long term loans and advances	13	460.53	614.17
e) Other Non current assets	18	22081.77	79.09
		<b>84134.76</b>	<b>99495.98</b>
<b>Current Assets</b>			
a) Inventories	16	10014.70	9302.40
b) Trade receivables	14	10895.61	7258.01
c) Cash and Bank balance	17	5145.50	3362.08
d) Short term loans and advances	13	1871.77	2073.22
e) Other current assets	18	50.69	73.93
		<b>27978.27</b>	<b>22069.64</b>
<b>Total Assets</b>		<b>112113.03</b>	<b>121565.62</b>

The accompanying notes form an integral part of the Financial Statements. ( Note No. 1 to 40)

As per our Report attached

**For K. S. Aiyar & Co.**  
Chartered Accountants  
Firm Registration No 100186W  
**Raghuvir M. Aiyar**  
Partner (M No. 38128)

Place: Mumbai  
Date: 30th April '13

**Maitreya V. Doshi**  
Chairman & Managing Director  
**S. Padmanabhan**, Director  
**Asit Javeri**, Director

**Kavita Khanna**, Director  
**Dilip J. Thakkar**, Director  
**Ramesh Adige**, Director

**Ramesh M. Tavhare**  
Vice President  
(Finance & Legal)  
& Company Secretary  
Place: Mumbai  
Date: 30th April '13

# Statement of Profit & Loss for the Year Ended 31st March 2013

	Note No.	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
<b>INCOME :</b>			
Revenue from Operations (Gross)	19	29754.58	30359.12
Internal Capitalisation		(3676.23)	(1960.44)
Excise Duty		(1995.14)	(1683.25)
<b>Revenue from Operations (Net)</b>		<b>24083.21</b>	<b>26715.43</b>
Other Income	20	31325.04	316.55
		<b>55408.25</b>	<b>27031.98</b>
<b>EXPENSES :</b>			
Materials consumed	21	14292.55	16328.08
(Increase) / Decrease in inventory of Work in Progress and Finished Goods	22	(162.90)	(1649.20)
Employee Benefits Expense	23	2568.00	2934.89
Other Expenses	24	3954.43	4487.87
Expenditure capitalised (Internal capitalisation)		(3676.23)	(1960.44)
		<b>16975.85</b>	<b>20141.20</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>38432.40</b>	<b>6890.78</b>
Finance Cost	25	5176.11	4190.56
Depreciation and amortization expense	26	1564.15	1281.56
Non-Recurring Items	27	17529.18	0.00
<b>Profit before tax</b>		<b>14162.96</b>	<b>1418.66</b>
<b>Tax Expenses:</b>			
Current Tax (Refer Note 15 (a) & (b))	15	2840.57	292.82
Deferred Tax (Refer Note 15 (c))		2557.70	(1158.00)
		<b>5398.27</b>	<b>(865.18)</b>
<b>Profit/(Loss) for the year</b>		<b>8764.69</b>	<b>2283.84</b>
Earning Per Share (₹ per share)			
Basic		<b>28.86</b>	<b>7.52</b>
Diluted		<b>28.86</b>	<b>7.52</b>

The accompanying notes form an integral part of the Financial Statements. ( Note No. 1 to 40)

As per our Report attached

**For K. S. Aiyar & Co.**  
Chartered Accountants  
Firm Registration No 100186W  
**Raghuvir M. Aiyar**  
Partner (M No. 38128)

Place: Mumbai  
Date: 30th April '13

**Maitreya V. Doshi**  
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**Ramesh M. Tavhare**  
Vice President  
(Finance & Legal)  
& Company Secretary  
Place: Mumbai  
Date: 30th April '13

# Cash Flow Statement for the year ended 31st March 2013

	Year ended 31.03.2013 (₹ Lakhs)	Year ended 31.03.2012 (₹ Lakhs)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & Exceptional items	14162.96	1418.66
<b>Adjustments for :</b>		
Depreciation	1564.15	1281.56
Interest and Financial Charges	5176.11	4190.56
Interest/Dividend Income	(258.44)	(212.88)
Research & Development Expenditure Written off	0.00	15.67
(Gain)/Loss on sale of Fixed Assets (Net)	(30748.71)	172.66
Intangible Assets Written Off	12600.38	0.00
	<b>(11666.51)</b>	<b>5447.57</b>
<b>Operating profit before Working Capital Changes</b>	<b>2496.45</b>	<b>6866.23</b>
<b>Adjustments for :</b>		
Trade & Other Receivables	(3287.15)	2391.88
Inventories	(712.30)	(2173.63)
Fixed Deposits	(1481.65)	(1264.12)
Trade Payable & Provisions	(1251.22)	2661.79
	<b>(6732.32)</b>	<b>1615.92</b>
<b>Cash generated from Operations</b>	<b>(4235.87)</b>	<b>8482.15</b>
Direct Taxes Net Received / (Paid)	(581.12)	(497.66)
<b>Net Cash Flow from Operating Activities ( A )</b>	<b>(4816.99)</b>	<b>7984.49</b>



	Year ended 31.03.2013 (₹ Lakhs)	Year ended 31.03.2012 (₹ Lakhs)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	13747.04	95.11
Addition to Fixed Assets	(9121.73)	(9140.19)
Interest & Dividend Received	281.68	0.05
<b>Net Cash flow from Investing activities (B)</b>	<b>4906.99</b>	<b>(9045.03)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inter-Corporate Deposits/ Fixed Deposits availed/(repaid)	(2065.00)	(1159.93)
Proceeds from long term Borrowings	19800.00	8376.19
Repayment of long term borrowings	(9257.21)	(7638.18)
Proceeds from Fixed Deposits	886.38	4459.33
Cash Credit from Banks	(2939.67)	1854.84
Dividend paid during the year	(1036.62)	(921.84)
Interest paid	(5176.11)	(3977.73)
<b>Net Cash flow from Financing activities (C)</b>	<b>211.77</b>	<b>992.68</b>
<b>Net increase in Cash &amp; Cash equivalents [ A+B+C ]</b>	<b>301.77</b>	<b>(67.86)</b>
Opening Balance Cash & Cash Equivalents (as per note 17)	156.56	224.42
Closing Balance Cash & Cash Equivalents (as per note 17)	458.33	156.56

The accompanying notes form an integral part of the Financial Statements. ( Note No. 1 to 40)

As per our Report attached  
**For K. S. Aiyar & Co.**  
Chartered Accountants  
Firm Registration No 100186W  
**Raghuvir M. Aiyar**  
Partner (M No. 38128)  
Place: Mumbai  
Date: 30th April '13

**Maitreya V. Doshi**  
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**Ramesh M. Tavhare**  
Vice President  
(Finance & Legal)  
& Company Secretary  
Place: Mumbai  
Date: 30th April '13

# Notes forming part of the financial statements for the year ended 31st March 2013

## Corporate Information

Premier Ltd. is a BSE and NSE listed public company, incorporated under the Companies Act, 1913. It operates in two business segments: Engineering & Automotive. The Engineering segment consists of Manufacture of CNC Machines and large mechanical components for the wind energy and infrastructure sectors and professional and engineering services related thereto. The Automotive Segment consists of Manufacture of Light and Sport Utility Vehicles along with related spare parts as well as auto components for other OEM's.

The registered office and plant of the company is located at Chinchwad, Pune while the Corporate office is located at Mumbai. The company has also its branch offices at Bangaluru, Chennai, Kolkata and Delhi.

## 1. Significant accounting policies

### (i) Basis of Accounting

The financial statements have been prepared and presented under the historical cost (except for free hold land) convention on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with provisions of the Companies Act, 1956 and comply with the mandatory Accounting Standards (AS) specified in the Companies (Accounting Standard) Rules, 2006, prescribed by the Central Government.

The accounting policies have been consistently applied by the company.

### (ii) Revenue Recognition

- a. Revenue from sale of goods is recognized when significant risk and rewards in respect of ownership of product is transferred to the customers, which is generally on dispatch of goods.
- b. Domestic sales include excise duty and are net of sales returns, trade discounts and sales tax.
- c. Export Sales are accounted on the basis of dates of Bill of Lading.
- d. Revenue from services is recognized as and when services are rendered as per terms of contract.
- e. Income from investments / other income is recognized on accrual basis.

**(iii) Inventories are valued as under**

- a. Raw materials, Components, Stores & Spares, Loose Tools : At moving weighted average cost or net realizable value which ever is lower.
- b. Finished Goods: At lower of cost or net realizable value inclusive of excise duty thereon.
- c. Work-in-Progress: At lower of estimated cost and net realizable value.
- d. Goods in Transit and under clearance: At lower of actual cost till date (inclusive of customs duty payable thereon) or net realizable value.
- e. Stock of Scrap: At estimated net realizable value.

**(iv) Investments**

Long term investments are valued at cost less provision for diminution in value, other than temporary, if any.

**(v) Employee Benefits**

**1. Short Term Employee Benefits**

All employee benefits falling due wholly within twelve months of rendering service are classified as short term benefits. The benefits like salaries, wages etc. and the expected cost of bonus, ex-gratia, are recognized in the period in which the employee renders the related service.

**2. Post Employment Benefits**

- a. **Defined Contribution Plan:** Defined contribution plan consists of Government Provident Fund Scheme and Employee State Insurance scheme. Company's contribution paid/payable during the year under these schemes are recognized as expense in the statement of Profit and Loss. There are no other obligations other than the contribution made by the company.
- b. **Defined Benefit Plan:** The employees' gratuity schemes and long term compensated absences are the defined benefit plans. Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial gain and losses are recognized immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds.

## **(vi) Fixed Assets**

- a. **Tangibles:** Fixed assets (except free hold land) are stated at cost of acquisition or construction including installation cost, attributable interest and financial cost till such time assets are ready for its intended use, and foreign exchange fluctuation on long term borrowings related to fixed assets, less accumulated depreciation, impairment losses and specific grants received if any. Free hold land is stated at revalued amount.
- b. **Intangibles:** Product Development Expenditure and License / Technical know-how fees :

Product Development expenditure of capital nature are added to Intangible assets. Expenditure on license and technical know-how fees and other related expenditure towards technological improvement of the products and/ or components for captive use are treated as intangible assets. Expenditure of these nature are initially recognized as Intangible Assets under development and eventually transferred to Intangible assets block as appropriate on the commencement of the commercial production after the viability of the product is proven.

## **(vii) Depreciation and amortization**

- a. Depreciation on fixed assets except free hold land is calculated on straight line basis at the rates specified in accordance with the Schedule XIV of the Companies Act, 1956.
- b. Depreciation on fixed assets sold or scrapped during the year is provided up to the month in which such fixed assets are sold or scrapped. Depreciation on additions to fixed assets is calculated on pro-rata basis from the month of addition.
- c. Product Development expenditure and License/Technical know-how fees are amortized over a period of 5 years from the accounting year in which the commercial production of such improved product commences.

## **(viii) Impairment of Assets**

In accordance with Accounting Standard 28 (AS 28) on "Impairment of Assets, where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment based on internal/external factors. An impairment loss, if any, is recognized in the Statement of Profit & Loss, wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of the assets is estimated at the higher of its net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

### **(ix) Foreign Currency Transactions**

- a. Foreign Currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence.
- b. Foreign currency monetary assets and liabilities as on the Balance Sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the year and exchange difference arising there-from is charged / credited to the Statement of Profit & Loss -except for the exchange difference arising on long term borrowings related to fixed assets, which are capitalized.

### **(x) Leases**

Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Assets held under finance leases are recognized as assets of the Company on the date of acquisition and depreciated over their estimated useful lives.

Initial direct costs under the finance lease are included as part of the amount recognized as asset under the finance lease.

Rentals payable under operating leases are treated as expenses as and when they are incurred.

### **(xi) Customs Duty**

Customs duty is accounted for as and when paid/provided.

### **(xii) Borrowing Cost**

As per Accounting Standard 16 on "Borrowing Costs" borrowing costs that are : (a) directly attributable to the acquisition, construction, production of a qualifying asset are capitalized as a part of cost of such asset till the time the asset is ready for its intended use and (b) not directly attributable to qualifying assets are determined by applying a weighted average rate and are capitalized as a part of the cost of such qualifying asset till the time the asset is ready for its intended use. Remaining borrowing costs are recognized as an expense in the period in which they are incurred.

### **(xiii) Contingencies and Provisions**

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.



#### (xiv) Taxation

Tax expense comprises of current tax and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. The deferred tax charge or credit is recognized using prevailing enacted or substantively enacted tax rate. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case law to re-assess realization/ liabilities.

#### (xv) Measurement of EBITDA

The Company has opted to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of Profit & Loss.

## 2. Share Capital

### (A) Authorised, Issued, Subscribed and paid-up Share Capital and par value per Share

	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
<b>AUTHORISED :</b>		
4,00,00,000 Equity Shares of Rs. 10 each (Previous year 4,00,00,000 Equity Shares of Rs. 10 each)	4000.00	4000.00
<b>ISSUED :</b>		
3,04,54,180 Equity Shares of Rs. 10 each (Previous year 3,04,54,180 Equity Shares of Rs.10 each.)	3045.42	3045.42
<b>SUBSCRIBED AND PAID UP :</b>		
3,03,72,570 Equity Shares of Rs. 10 each fully paid, (Previous year 3,03,72,570 Equity Shares of Rs.10 Each fully paid)	3037.26	3037.26
Add : Forfeited Equity shares 81610 Equity shares (Previous year 81610 Equity shares)	2.69	2.69
<b>Total Share Capital</b>	<b>3039.95</b>	<b>3039.95</b>

**(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**

	As at 31.03.2013	As at 31.03.2012
Number of shares outstanding as at the beginning of the year	30372570	30372570
Number of shares outstanding as at the end of the year	30372570	30372570

**(C) The Rights, Preferences, Restriction including restriction on the distribution of dividend and repayments of capital**

1. The Company is having only one class of shares, that is Equity carrying nominal value of Rs.10 per share.
2. Every holder of equity share of the Company is entitled to one vote per share held.
3. In the event of liquidation of the Company, the equity share holder will be entitled to receive remaining assets of the Company after the distribution / repayments of all creditors. The distribution to the share holder will be in proportion of the number of shares held by each share holder.
4. The Company declares and pays dividend on the equity shares in Indian Rupees. Dividend proposed by the Board of Directors is subject to approval of the share holders at the ensuing Annual General Meeting.
5. During the year ended 31st March,2013 an amount of Rs.3.00 per equity share (30%) is proposed as dividend for the equity share holders (Previous year Rs. 3.00 per equity share ) Also a one-time special dividend of Rs.4.00 per equity share (40%) has been proposed, making a total dividend of Rs.7.00 per equity share(70%).

**(D) Shares held by holding/ultimate holding company and/or their subsidiaries / associates**

The company is not a Subsidiary of any other company.

**(E) Details of shareholders holding more than 5% shares in the company**

	As at 31.03.2013		As at 31.03.2012	
Equity shares of Rs.10 each fully paid	No of Shares	% of Holdings	No of Shares	% of Holdings
1. Doshi Holdings Pvt.Ltd. (Associate)	13,242,385	43.60%	13,241,325	43.60%
2. Life Insurance Corporation of India	1,820,815	5.99%	1,820,815	5.99%
3. Patton International Ltd.	1,786,361	5.88%	1,786,361	5.88%

(F) The Company had issued 43,26,000 Convertible warrants in the Year 2006-07. Out of these for 19,86,674 warrants equivalent numbers of shares were allotted in the year 2007-08, for 23,18,053 warrants equivalent number of shares were allotted in the year 2008-09, and the balance 21,273 warrants were forfeited by the Company in the year 2009-10.

### 3. Reserves & Surplus

	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
<b>Capital Reserve :</b>		
Forfeiture of warrants	0.84	0.84
<b>Securities Premium A/c :</b>		
Balance as per the last financial statements	3188.88	3188.88
<b>Revaluation Reserve-Land</b>	50100.13	50100.13
Less: Transferred to Statement of Profit & Loss (Refer Note No. 9 (c))	(26013.09)	0.00
	<b>24087.04</b>	<b>50100.13</b>
<b>General Reserve :</b>		
Balance as per the last financial statements	11627.96	11377.96
Add : Amount Transferred from Surplus Balance in the Statement of Profit & Loss	900.00	250.00
	<b>12527.96</b>	<b>11627.96</b>
<b>Surplus/(Deficit) in the Statement of Profit And Loss:</b>		
Balance as per the last financial statements	3086.48	2111.63
Add: Profit for the year	8764.69	2283.84
	<b>11851.17</b>	<b>4395.47</b>
<b>Less Appropriations :</b>		
a) Proposed dividend	(2126.08)	(911.18)
b) Tax on proposed dividend	(344.90)	(147.81)
c) Transfer to General Reserve	(900.00)	(250.00)
Net Surplus In the Statement of Profit & Loss	<b>8480.19</b>	<b>3086.48</b>
<b>Total Reserves &amp; Surplus</b>	<b>48284.91</b>	<b>68004.29</b>

## 4. Long Term Borrowings

(₹ Lakhs)

	Non Current Portion		Current Maturities	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>Term Loans from Banks (Secured)</b>				
State Bank of India	15000.00	0.00	0.00	1200.00
State Bank of Hyderabad	450.00	737.00	287.50	213.00
Corporation Bank	3215.00	4643.00	1428.00	357.00
The Jammu & Kashmir Bank Ltd.	10000.00	0.00	0.00	4000.00
Buyers Credit from Federal Bank Ltd.	0.00	887.40	0.00	0.00
<b>Loans From Others (Secured)</b>				
HDFC Ltd.	0.00	2083.34	0.00	416.66
Sicom Ltd.	0.00	2712.00	0.00	2288.00
First Leasing company of India Ltd.	497.20	483.30	140.45	216.70
<b>Deposits (Unsecured)</b>				
Cumulative Fixed Deposit from Public	1140.85	1145.55	0.00	0.00
Cumulative Fixed Deposit from Shareholders	246.50	27.95	0.00	0.00
Non-Cumulative Fixed Deposit from Public	2430.58	2409.53	0.00	0.00
Non-Cumulative Fixed Deposit from Shareholders	534.98	1062.10	0.00	0.00
Non-Cumulative Fixed Deposit from Related Parties	615.00	600.00	0.00	0.00
Finance Lease Obligation (Secured)	0.00	147.58	159.55	249.93
<b>Total Long Term borrowings</b>	<b>34130.11</b>	<b>16938.75</b>	<b>2015.50</b>	<b>8941.29</b>
<b>The above amounts Includes</b>				
Secured borrowings	29162.20	11693.62	2015.50	8941.29
Unsecured borrowings	4967.91	5245.13	0.00	0.00
	<b>34130.11</b>	<b>16938.75</b>	<b>2015.50</b>	<b>8941.29</b>
Amount disclosed under the head "other Current liabilities" (Refer Note No.8)			(2015.50)	(8941.29)
<b>Net Amount</b>	<b>34130.11</b>	<b>16938.75</b>	<b>0.00</b>	<b>0.00</b>

- (a) Term Loan of Rs. 15000 Lakhs (Previous year: Nil) from SBI is secured by way of first charge on current assets on pari-passu basis with other lenders and 1st pari-passu charge on fixed assets of the company at Chinchwad along with J & K Bank. Also exclusive mortgage charge on 41.44 acres of land located at Kalyan/ Dombivli.

The above loan of Rs.15000 Lakhs is for a tenure of eight and a half years including a moratorium of 18 months. The repayment installments are spread over 84 months commencing from 31/10/2014 and the last installment falling due on 30/09/2021. The 1st two installments are of Rs. 5 lakhs each, the next 4 installments are of Rs. 10 lakhs each, next 10 installments are of Rs. 20 lakhs each, next 2 installments are of Rs. 25 lakhs each, next 6 installments are of Rs. 150 lakhs each, next 24 installments are of Rs. 200 lakhs each and the next 36 installments are of Rs. 250 lakhs each. Annual rate of Interest is 2.30% above SBI base rate.

- (b) Term Loan of Rs. 737.50 Lakhs (Previous year: Rs.950 Lakhs) from State Bank of Hyderabad is secured by way of first pari-passu charge on Company's fixed assets at Chinchwad, Pune (both present and future) and Second pari-passu charge on Company's current assets located at the plant at Chinchwad or in transit. This loan is repayable in 42 Monthly installments from December 2011. and ending on May 2015. Annual rate of Interest is 5% above SBH base rate. This entire loan is fully prepaid on 16th April, 2013.
- (c) Term Loan of Rs. 4643 Lakhs (Previous year: Rs.5000 Lakhs) from Corporation Bank, is secured by way of first pari-passu charge on Company's present and future fixed assets at Chinchwad, Pune and Second pari-passu charge on Company's current assets located at the plant at Chinchwad or in transit. This loan is repayable in 13 quarterly installments of Rs 357 Lakhs each and last installment of Rs 359 Lakhs. Loan installments are starting from February 2013 and the last installment is falling due on May 2016. Annual rate of Interest is 3.25% over Corporation Bank Base rate. This entire loan is since prepaid.
- (d) Corporate Loan Rs. Nil (Previous Year Rs. 4000 Lakhs) from The Jammu & Kashmir Bank Ltd. which was secured by way of first pari-passu charge on Company's present and future fixed assets at Chinchwad, Pune. Annual rate of Interest is 3.75% over J&K Bank Base rate. The above loan is fully repaid during the year 2012-13 on due dates along with applicable interest thereon.
- (e) Corporate Loan Rs. 10000 Lakhs (Previous Year Rs. Nil) from The Jammu & Kashmir Bank Ltd. is secured by way of first pari-passu charge on plant and machinery and fixed assets of the company located at Chinchwad, Pune and second pari-passu charge on current assets of the company. This loan is for a total tenure of 36 months, repayable in 18 equal installments after a moratorium period of 18 months. There are 17 monthly installments each of Rs. 550 lakhs with the first installment due on 30/09/2014. The last installment (18th



installment) is of Rs. 650 lakhs due on 29/02/2016. Annual rate of Interest is 2% over J&K Bank Base rate.

- (f) Buyers Credit facility of Rs.Nil (Previous year Rs.887.40 Lakhs) from Federal Bank Limited which was secured by way of first pari-passu charge on plant and machinery and fixed assets of the company located at chinchwad, Pune. This loan is fully pre-paid during the year along with applicable interest.
- (g) Term Loan of Rs. Nil (Previous year Rs.2500 Lakhs) from HDFC Ltd., which was secured by way of first pari-passu charge on Company's land located at Dombivli, Kalyan. This loan is fully pre-paid during FY 2012-13 along with applicable interest.
- (h) Medium Term Loan of Rs. Nil (Previous year: Rs. 5000 Lakhs) from SICOM Ltd., is secured by way of first pari-passu charge on Company's land located at Dombivli, Kalyan. This loan is fully pre-paid during the year FY 2012-13 along with applicable interest.
- (i) Hire purchase Loan of Rs 637.65 Lakhs for a tenure of 4 to 5 years from First leasing Company of India Limited is secured under the specific Fixed Asset procured against the said Loans.

Rs. 637.65 Lakhs is repayable in 43 variable monthly installments till October 2016. Annual rate of Interest is 2% above SBI base rate.

All the above facilities covered under a to i are also secured by the personal guarantee of Mr. Maitreya V. Doshi, Chairman and Managing Director of the company.

- (j) Deposits accepted from public and share holders carry varying rate of interest from 11% to 12.50% p.a. depending upon the cumulative/ non cumulative option and the period of maturity such as 1 year, 2 year or 3 year.

## 5. Other Long Term Liabilities

	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
Advances and deposits from dealers, customers, etc. (unsecured)	10.07	24.37

## 6. Provisions

(₹ Lakhs)

	Long Term		Short Term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>Provision for employee Benefits</b>				
Provision for Gratuity	430.47	399.03	47.83	101.00

Provision for Leave benefits	240.46	251.60	80.15	62.89
Provision for Early Retirement Benefit	0.00	0.00	0.00	63.75
<b>Other Provision</b>				
For Proposed equity dividend	0.00	0.00	2126.08	911.18
For Tax on proposed equity dividend	0.00	0.00	344.90	147.81
For Wealth tax ( Net of advance tax payment)	0.00	0.00	120.93	288.95
For taxation (Net of advance tax payment)	0.00	0.00	2616.20	188.73
For Warranties	0.00	0.00	32.18	32.37
	<b>670.93</b>	<b>650.63</b>	<b>5368.27</b>	<b>1796.68</b>

## Movement in Provision

(₹ Lakhs)

Particulars	Opening Balance 01.04.2012	Additions during the year	Amount paid / Adjusted during the year	Closing balance 31.03.2013
Leave Encashment	314.49	97.09	90.97	320.61
Gratuity	500.03	79.02	100.75	478.30
Dividend	911.18	2126.08	911.18	2126.08
Provision for warranty	32.37	32.18	32.37	32.18
Early retirement benefit	63.75	0.00	63.75	0.00

## 7. Short Term Borrowings

	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
Cash Credit from State Bank of India (secured)	2506.28	4179.45
Cash Credit from State Bank of Hyderabad (secured)	0.00	845.05
Cash Credit from Corporation Bank (secured)	0.00	421.45
<b>Deposits (Unsecured)</b>		
Cumulative Fixed Deposit from Public	526.15	331.00
Cumulative Fixed Deposit from Shareholders	72.55	2.40
Non-Cumulative Fixed Deposit from Public	773.50	398.80
Non-Cumulative Fixed Deposit from Shareholders	523.60	0.00
Inter-Corporate Deposits	1430.00	3495.00
<b>Total short term borrowings</b>	<b>5832.08</b>	<b>9673.15</b>

<b>The above amounts includes</b>		
Secured borrowings	2506.28	5445.95
Unsecured borrowings	3325.80	4227.20
<b>Total short term borrowings</b>	<b>5832.08</b>	<b>9673.15</b>

- (a) The Working Capital facilities (Cash Credit Rs. 6000 lakhs, non-funded facilities Rs. 10500 lakhs, totaling to Rs. 16500 lakhs, same limits as previous year) are under a consortium banking arrangement with State Bank of India - as the lead banker having a share of Rs. 10500 lakhs (previous year Rs. 10500 lakhs) along with State Bank of Hyderabad Rs. 4500 lakhs (previous year Rs.4500 lakhs) and Corporation Bank Rs.1500 lakhs (previous year 1500 lakhs). These facilities are secured by way of first pari-passu charge on Company's current assets located at the plant at Chinchwad or in transit and second pari-passu charge on Company's present and future fixed assets at Chinchwad, Pune. Annual rate of Interest varies from 0.50% above base rate to 5% above the Base Rates of these banks.

All the above facilities are also secured by the personal guarantee of Mr. Maitreya V. Doshi, Chairman and Managing Director of the company.

- (b) The Inter Corporate Deposits of Rs.1430 Lakhs (previous year Rs. 3495) are unsecured short term Loans repayable within 3 to 6 months with Interest rate varying 14.50% to 17.00% p.a. The above includes Rs.215 Lakhs borrowed by the Company for which the promoters have pledged their shares.

## 8. Trade Payables & Other Current Liabilities

	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
<b>Trade Payable</b>	8079.91	10025.93
<b>Total</b>	<b>8079.91</b>	<b>10025.93</b>
<b>Other Current Liabilities</b>		
Advances and deposits from dealers, customers, etc.	1204.78	637.19
Employee Related	278.63	426.33
Creditors for Expenses	61.70	140.55
Unclaimed Dividend	218.70	196.33
Current maturities of long term borrowings (Refer Note No.4)	2015.50	8941.29
Earnest Money Deposit From Related Party (Refer Note No. 8 (a))	980.00	980.00
Interest accrued but not due on borrowing	226.40	24.84

	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
Interest accrued and due on borrowing	265.06	31.52
Application money received for allotment of Fixed Deposits	6.47	0.99
Others	39.86	32.83
<b>Total</b>	<b>5297.10</b>	<b>11411.87</b>

During the last year, the Company had entered into a memorandum of understanding with Shri. LH Premier Trust to sell certain land of the Company at Chinchwad and had received earnest Money of Rs.980 Lakhs. Pending completion of the process of obtaining the necessary approvals from the appropriate authorities for concluding the sale, the said advance received continues to be reflected as a current liability.

## 9. Tangible Assets

(₹ Lakhs)

Assets	COST/ BOOK VALUE				DEPRECIATION				NET BLOCK	
	Gross Block as at 01.04.12	Additions/ Adjustments	Deductions	Gross Block as at 31.03.13	Depreciation Fund as at 01.04.12	Deductions	Depreciation for the Year	Depreciation fund as at 31.03.13	Net Block as at 31.03.13	Net Block as at 31.03.12
<b>Freehold Land</b>	57500.00	-	31010.47	26489.53	-	-	-	-	26489.53	57500.00
<b>Buildings</b>	6997.71	4048.93	-	11046.64	1013.33	-	252.92	1266.25	9780.39	5984.38
<b>Plant and Machinery &amp; Equipments</b>										
<b>-Own</b>	13991.47	6910.28	4.39	20897.36	3445.26	3.44	1063.94	4505.76	16391.60	10546.20
<b>-On Lease</b>	1235.93	-	-	1235.93	219.90	-	91.72	311.62	924.31	1016.03
<b>Cars &amp; Vehicle</b>	154.41	31.40	-	185.81	64.11	-	16.73	80.84	104.97	90.30
<b>Furniture</b>	257.47	25.27	-	282.74	68.18	-	15.94	84.12	198.62	189.29
<b>Office Equipment</b>	178.26	10.09	-	188.35	65.79	-	7.20	72.99	115.36	112.49
<b>Dies &amp; Jigs</b>	741.74	779.25	-	1520.99	297.19	-	79.93	377.12	1143.87	444.55
<b>Total</b>	<b>81056.99</b>	<b>11805.22</b>	<b>31014.86</b>	<b>61847.35</b>	<b>5173.76</b>	<b>3.44</b>	<b>1528.38</b>	<b>6698.70</b>	<b>55148.67</b>	<b>75883.24</b>
<b>Previous Year Total</b>	<b>79712.07</b>	<b>1762.04</b>	<b>417.12</b>	<b>81056.99</b>	<b>4062.39</b>	<b>149.35</b>	<b>1260.73</b>	<b>5173.75</b>	<b>75883.24</b>	

### **(a) Sale of Land**

During the year, the Company has sold and conveyed 150 acres (out of 218 acres) of its land at Dombivli, to Horizon Projects Pvt. Ltd., a part of Runwal Group for a total consideration of Rs.44000 Lakhs.

Consequent to the above, during the year, the Company has received Rs.22000 Lakhs as a part consideration. The balance consideration of Rs.22000 Lakhs which is to be received on 31.12.2014 is subject to such amount, if any, required to be deducted therefrom on account of payments to be made/financed by the purchaser and adjustable therefrom. The said deduction amount is not crystallized and quantifiable as on date. The Company will account for such adjustments as and when crystallized. Subject to this, the Company has accounted for the sale at a total consideration of Rs.44000 Lakhs and recognized the profits accordingly during the year.

This balance consideration of Rs.22000 Lakhs, receivable on 31.12.2014, is adequately secured through a registered mortgage in favour of the Company for 71 acres of land (out of 150 acres) conveyed to the developer and a post-dated cheque not exceeding Rs.22000 Lakhs given by the developer.

Profit on Sale of Land of Rs.4735.63 Lakhs is arrived at after adjusting an amount of Rs.8076.38 Lakhs paid to the Maharashtra Government 'under protest' for issues pertaining to Urban Land Ceiling (Regulations) Act, 1976 in respect of the Company's land at Dombivli. The Company has filed a writ petition in the High Court, Bombay challenging the notification of the Government under which the said payment has been made. The Company would be entitled for refund of this amount if the said dispute is resolved in favour of the Company.

### **(b) Compulsory acquisition of Company's land at Dombivli by the Indian Railways**

The Company has received notices from the Deputy Collector (Land Acquisition) and Competent Authority informing about the compulsory acquisition of land admeasuring about 26 acres for the Dedicated Freight Corridor Project of the Indian Railways. After the acquisition process is completed, the Company would be left with 42 acres of land at Dombivli. The said acquisition would be accounted in the books after the receipt of compensation amount and handing over of possession of the land under acquisition.

### **(c) Revaluation of Land**

The Company had revalued its land in July 2010 through an external valuer at fair market value and the increase of Rs.50100 Lakhs due to revaluation has been added to the book value of land and to the revaluation reserve.



During the year, in view of sale of 150 acres of land at Dombivli, revaluation reserve amounting to Rs.26013.09 Lakhs, on a pro-rata basis, has been released to the statement of Profit & Loss since the profits are realized and shown under 'Other Income'.

On the grounds of prudence and as per the legal opinion obtained, the surplus of Rs. 1889.44 lakhs (Previous year Rs.6057.31 lakhs) arose upon re-conversion of stock-in trade into land in the financial year 2008-09 continues to be included in the General Reserve of the company and will not be considered for distribution till it is realized.

## 10. Intangible Assets

(₹ Lakhs)

Assets	COST/ BOOK VALUE				DEPRECIATION				NET BLOCK	
	Gross Block as at 01.04.12	Additions/ Adjustments	Deductions	Gross Block as at 31.03.13	Depreciation Fund as at 01.04.12	Deductions	Depreciation for the Year	Depreciation fund as at 31.03.13	Net Block as at 31.03.13	Net Block as at 31.03.12
Computer and other Applications Software	245.28	0.31	-	245.59	163.04	-	21.02	184.06	61.53	82.24
Technical Know How	-	4131.27	-	4131.27	-	-	14.75	14.75	4116.52	-
<b>Total</b>	<b>245.28</b>	<b>4131.58</b>	<b>-</b>	<b>4376.86</b>	<b>163.04</b>	<b>-</b>	<b>35.77</b>	<b>198.81</b>	<b>4178.05</b>	<b>82.24</b>
Previous Year Total	230.52	14.76	-	245.28	142.21	-	20.83	163.04	82.24	

## 11. Intangible Assets under development

The movement in intangible assets under development is given below.

Particulars	(₹ Lakhs)
Opening Balance as on 01.04.2012	11821.52
Additions during the year	4910.13
Transferred to Intangible assets	(4131.27)
Written off during the year	(12600.38)
Closing Balance as on 31.03.2013	0.00

Also please refer detailed note given in Note No 27.

## 12. Non Current Investments

	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
<b>Trade Investment</b>		
<b>In Associates</b>		
<b>PAL Credit and Capital Ltd. (Quoted)</b> 58,99,169 equity shares of Rs.10/- each fully paid. (Previous year 58,99,169 equity shares of Rs.10/- each fully paid)	651.70	651.70
Less : Provision for diminution in value of investments.	289.48	289.48
	<b>362.22</b>	<b>362.22</b>
<b>Non Trade Investment</b>		
<b>In Associates</b>		
<b>Premier Auto Ltd.</b> 24,500 Shares of Rs.10/- each	2.45	0.00
<b>Unquoted Equity Instruments</b>		
<b>Saraswat Co-op. Bank Limited</b> 2,500 Shares of Rs. 10/- each fully paid (Previous year 2,500 Shares of Rs. 10/- each fully paid)	0.25	0.25
<b>Shree Suvarna Sahakari Bank Ltd.</b> 500 Shares of Rs. 100/- each fully paid (Previous year 500 Shares of Rs. 100/- each fully paid)	0.50	0.50
Less : Written off during the year	0.50	0.00
	<b>2.70</b>	<b>0.75</b>
<b>Total Investments</b>	<b>364.92</b>	<b>362.97</b>
<b>Aggregate Values</b>		
1. Book Value of quoted investments	362.22	362.22
2. Market Value of quoted investments	45.42	78.46
3. Book Value of unquoted investments	2.70	0.75
4. Provision for Diminution in value	289.48	289.48

- (a) Company's long term investment in PAL Credit and Capital Limited, an RBI registered and listed NBFC promoted by the company, is Rs.362.22 Lakhs (after making provision for diminution in the value of investment of Rs.289.48 Lakhs in the financial year 2007-08) represented by 58,99,169 equity shares of

Rs.10 each fully paid. Considering the intrinsic business value of PAL Credit & Capital Limited and its business synergies for the Company, as well as the holding being in the nature of controlling interest with long term strategies and business revival plan, no further diminution in value is considered necessary. Further in order to continue with its revival plan, the company has further advanced during the year an amount of Rs. 52.43 Lakhs (Previous year Rs. 101.57 Lakhs) making the total advance paid up to the end of March'13 of Rs. 154 Lakhs. The said advance is included under Loans and Advances (refer note. No. 13).

- (b) The Company has in its possession the share certificates and the blank transfer forms executed by Automobiles Peugeot in respect of 8,40,25,000 equity shares of Pal-Peugeot Ltd (under liquidation) gifted by them in the year 1999. These shares could not be transferred in company's name as Pal-Peugeot Ltd was not functioning. The Company has filed a petition before the Hon'ble Bombay High Court for permission to transfer the said shares in the name of the Company and the petition is pending for disposal by the Court. Meantime, the Company is holding these shares as 'holder in due course'.
- (c) During the year the Company was allotted 50,000 equity shares of Premier Auto Ltd. and subsequently 25,500 shares were sold and the balance holding of 24,500 shares are shown as investments. Premier Auto Ltd. has not started any operations as yet.

### 13. Loans and Advances

(₹ Lakhs)

	Non Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Capital Advances	19.69	196.23	0.00	0.00
Security Deposit	274.59	251.45	0.00	0.00
Loans & advances to related parties (Refer Note No. 12(a))	0.00	0.00	154.00	106.56
Advances recoverable in cash or in kind or for value to be received .	166.25	166.49	902.29	1062.22
<b>Other loans &amp; advances</b>				
Prepaid expenses	0.00	0.00	137.70	217.35
Balances with excise, customs, port trust etc.	0.00	0.00	677.78	687.09
	<b>460.53</b>	<b>614.17</b>	<b>1871.77</b>	<b>2073.22</b>

## 14. Trade Receivables

(₹ Lakhs)

	Non Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>Trade Receivables, Unsecured :</b>				
Outstanding over six months from due date:				
Considered good	81.77	79.09	2234.52	934.69
Considered doubtful	0.00	563.35	0.00	0.00
Less : Provision for doubtful debts	0.00	563.35	0.00	0.00
	81.77	79.09	2234.52	934.69
Others, considered good	0.00	0.00	8661.09	6323.32
<b>Total</b>	<b>81.77</b>	<b>79.09</b>	<b>10895.61</b>	<b>7258.01</b>
Amount disclosed under the head 'Other Assets'(Refer Note No. 18)	(81.77)	(79.09)		
<b>Net Total</b>	<b>0.00</b>	<b>0.00</b>	<b>10895.61</b>	<b>7258.01</b>

## 15. Deferred Tax Assets / (Liability)

	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
<b>Deferred Tax Liabilities</b>		
Depreciation difference	2687.79	1945.00
<b>Total (a)</b>	<b>2687.79</b>	<b>1945.00</b>
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation	1225.48	1095.46
Carried Forward Capital Losses	0.00	1536.60
Provision for diminution in the value of investments	62.61	62.61
Inventories	0.00	50.48
Provision for doubtful debts	0.00	182.78
Technical knowhow	0.00	76.73
Expenditure allowable on payment basis	0.00	98.34
<b>Total (b)</b>	<b>1288.09</b>	<b>3103.00</b>
<b>Net Deferred Tax Assets/(Liability) (b-a)</b>	<b>(1399.70)</b>	<b>1158.00</b>

- (a) Provision for current tax is made under Minimum Alternate Tax (MAT) as per provisions of section 115 JB of the Income Tax Act, 1961.
- (b) The benefit of credit against the payments made towards MAT for the earlier years is available in accordance with the provisions of section 115JAA over a period of subsequent ten assessment years and the same will be accounted for when actually arise.
- (c) Estimated Net Deferred tax asset/(Liability) of (Rs.1399.70 Lakhs) has been recognized during the year (previous year Rs. 1158 Lakhs). The management is confident and virtually certain of realizing the same.

## 16. Inventories

	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
<b>Raw materials :</b>		
Steel	319.27	62.36
Rough Casting	26.33	34.53
Electrical	101.11	118.79
Components for passenger and commercial vehicles (Includes goods in transit of Rs. 864.25 Lakhs and previous year Rs.865.23 Lakhs)	2960.65	3474.59
Other components (Includes goods in transit of Rs.16.63 Lakhs and previous year Rs. 28.29 Lakhs)	1405.99	587.85
	<b>4813.35</b>	<b>4278.12</b>
<b>Work-in-progress:</b>		
Small and Heavy Machines	2695.02	2463.11
Finished Components	122.87	146.94
Steel Parts	1469.20	1397.06
Passenger and commercial vehicles	142.11	256.17
	<b>4429.20</b>	<b>4263.28</b>
<b>Finished goods:</b>		
Small and Heavy Machines	340.18	388.05
Passenger and commercial vehicles	119.16	72.62
	<b>459.34</b>	<b>460.67</b>
Stores and spares	40.24	60.03
Loose tools	267.17	240.30
Scrap	5.40	0.00
	<b>10014.70</b>	<b>9302.40</b>



## 17. Cash and Bank Balance

	As at 31.03.2013 (₹ Lakhs)	As at 31.03.2012 (₹ Lakhs)
<b>Cash and cash equivalents :</b>		
Cash on hand	4.31	7.42
Balance with Scheduled Banks		
- in Current accounts	454.02	149.14
<b>Other Bank balances:</b>		
Balance with Scheduled Banks		
- in current accounts earmarked for specific statutory payments	218.77	196.41
- Deposits with original maturity for less than 12 months	3110.00	80.00
- in Fixed deposit accounts (pledged with banks against LC margin / guarantees given by banks)	1358.40	2929.11
<b>Total</b>	<b>5145.50</b>	<b>3362.08</b>

## 18. Other Assets

	Rs (Lakhs)			
	Non Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Interest accrued on bank deposits	0.00	0.00	50.69	73.93
Trade Receivables (Refer Note No. 14)	81.77	79.09	0.00	0.00
Other Receivables (Refer Note No. 9 (a))	22000.00	0.00	0.00	0.00
<b>Total</b>	<b>22081.77</b>	<b>79.09</b>	<b>50.69</b>	<b>73.93</b>

## 19. Revenue From Operations

	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
<b>Sale of Products</b>		
CNC Machines	6263.40	8645.92
Engineering Components	9510.92	8948.44
Vehicles	3814.97	5024.50
Spares	3347.26	2411.15
Internal Capitalisation	3676.23	1960.44
	<b>26612.78</b>	<b>26990.45</b>

	For the year ended 31.03.2013 (₹ Lakhs)		For the year ended 31.03.2012 (₹ Lakhs)	
<b>Sale of Services</b>				
Engineering		2691.12		2734.03
<b>Other Operating Revenues</b>				
Scrap	429.34		583.66	
Agency Commission	21.34	450.68	50.98	634.64
<b>Total Revenue From Operations (Gross)</b>		<b>29754.58</b>		<b>30359.12</b>
<b>Less:</b>				
Excise Duty	1995.14		1683.25	
Internal Capitalisation	3676.23	5671.37	1960.44	3643.69
<b>Total Revenue From Operations (Net)</b>		<b>24083.21</b>		<b>26715.43</b>

## 20. Other Income

	For the year ended 31.03.2013 (₹ Lakhs)		For the year ended 31.03.2012 (₹ Lakhs)	
Interest Income	258.39		212.83	
Dividend other than trade	0.05		0.05	
Profit on Sale of Land (Refer Note No. 9)	4735.63		0.00	
Release of Revaluation Reserve upon Sale of Land(Refer Note No. 9)	26013.09		0.00	
Provision for Wealth tax of earlier year written back	175.04		0.00	
Miscellaneous Income	142.84		103.67	
<b>Total Other Income</b>		<b>31325.04</b>		<b>316.55</b>

## 21. a) Cost of Raw Material Consumed

	For the year ended 31.03.2013 (₹ Lakhs)		For the year ended 31.03.2012 (₹ Lakhs)	
a) Inventory at the beginning of the year	3384.60		3326.85	
b. Add : Purchases	14840.42		16385.83	
c) Less : inventory at the end of the year	3932.47		3384.60	
<b>Total Cost of Raw Material Consumed</b>		<b>14292.55</b>		<b>16328.08</b>

## 21. b) Details of Raw Material Consumed

	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
1. Steel	2324.57	3124.53
2. Ferrous metal	333.61	744.03
3. Components for passenger and commercial vehicles	5053.78	4983.44
4. Other Components	5562.83	6131.42
5. Others	1017.76	1344.66
<b>Total Raw Material Consumed</b>	<b>14292.55</b>	<b>16328.08</b>

## 22. (Increase)/Decrease In Inventory of Work-In-Progress and Finished Goods

	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
<b>Stocks at commencement :</b>		
Finished goods	460.67	619.39
Work-in-progress	4263.28	2467.09
	<b>4723.95</b>	<b>3086.48</b>
<b>Less :</b>		
<b>Stocks at close:-</b>		
Finished goods	459.34	460.67
Work-in-progress	4429.20	4263.28
Scrap	5.40	0.00
	<b>4893.94</b>	<b>4723.95</b>
<b>Add / (Less) :</b>		
Excise duty difference on opening and closing stock of finished goods.	7.09	(11.73)
<b>(Increase)/ Decrease in Inventory</b>	<b>(162.90)</b>	<b>(1649.20)</b>

## 23. Employee Benefits Expense

	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
Salaries, wages, bonus etc,	2772.80	2949.77
Retiring Gratuities	87.71	122.92
Contribution to Provident and Other Funds	145.95	149.57
Welfare expenses	203.88	251.02
	3210.34	3473.28
Less : Capitalised	642.34	538.39
<b>Total Employee Benefits Expense</b>	<b>2568.00</b>	<b>2934.89</b>

## 24. Other Expenses

	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
Stores, spares and tools Consumed	845.74	1076.79
Power, fuel and water	383.76	521.74
<b>Repairs and Maintenance :</b>		
Machinery	33.64	46.83
Buildings	30.47	8.33
Other assets	2.39	2.67
Lease rental on fixed assets	206.85	61.44
Rent	70.00	65.75
Rates and taxes	62.46	98.61
Insurance	23.09	22.00
Remuneration to Auditors:		
Statutory Auditors	7.50	8.40
In Other Capacities : Tax Audit	3.00	2.40
Certification and Other Matters	8.00	7.35
For Expenses	1.42	1.03
Directors fees and traveling expenses	12.70	11.40
Professional and legal fees	265.21	239.16
Contract Labour	569.44	511.89
Net Loss on Sale of fixed assets	0.00	172.66
Sales and Service expenses	444.71	352.80

	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
Bad Debts Written Off	563.35	0.00
Less: Provision no longer required	(563.35)	0.00
Research & Development Expenditure (Including License & Technical know-how fees written off)	0.00	15.67
Investments written off	0.50	0.00
Net Loss on foreign currency transaction	195.55	369.71
Travelling and conveyance	222.34	325.10
Other expenses	565.66	566.14
<b>Total Other Expenses</b>	<b>3954.43</b>	<b>4487.87</b>

Previous year figures of auditors remuneration include arrears of Rs. 1.65 Lakhs of earlier year.

## 25. Finance Costs

	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
Interest on loan	6015.52	4900.25
Less : Interest Capitalised	(1605.63)	(1315.42)
	4409.89	3584.83
Interest on others	18.99	42.64
Other Borrowing Cost	345.74	93.32
Bank and other charges	401.49	469.77
<b>Total Finance Costs</b>	<b>5176.11</b>	<b>4190.56</b>

## 26. Depreciation and amortization Expense

	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
Depreciation of tangible assets	1528.38	1260.73
Amortization of intangible assets	35.77	20.83
<b>Total</b>	<b>1564.15</b>	<b>1281.56</b>



## 27. Non Recurring Items

	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
Excise Duty payment for prior years	4928.80	0.00
Intangible asset under development written off	12600.38	0.00
<b>Total Non Recurring Items</b>	<b>17529.18</b>	<b>0.00</b>

1. The Supreme Court of India vide its order dated 29.08.2012 allowed the appeal of the excise department confirming excise duty demand of Rs.4928.80 Lakhs on the Company regarding a dispute which was won by the Company before the Customs Excise And Service Tax Appellate Tribunal (CESTAT) pertaining to a 15 year old dispute on valuation of Uno cars then manufactured by the Company.

The Review and Curative Petition filed by the Company were also dismissed by the court. The Company has paid the said duty demand in full to the department during the year and the same has been shown under 'Non Recurring Items'.

Despite above, the Company has been now been legally advised to file a Writ Petition in the High Court, Bombay challenging the computation errors by the department which were not taken up and heard by the Supreme Court. Accordingly, the Company has filed a petition and the same is pending disposal.

2. As part of the Company's product rationalization strategy, a comprehensive review was carried out by management during the year in respect of its various business segments and various Product Development Projects and expenses related thereto. As an outcome of the review (a) to concentrate and focus on core competency and (b) to rationalize the products of various business segments of the Company, management has taken the following decisions:

(a) **CNC Machines Business** : Entire product portfolio of CNC Machines was reassessed. Certain machine products were found to be not commercially viable in future. Therefore, management has decided not to pursue such products developments anymore and not to put further resources for their developments. Therefore, it was felt prudent to write off such product development expenses of Rs.2272 Lakhs related to such machines.

(b) **Heavy Engineering Business** : Contracts from various customers for heavy engineering business were reassessed for the commercial viability consequent to the design changes made by customers and possibility of repeat orders. Despite protracted negotiations with the customers, certain contracts were found commercially unviable by the management on such reassessment. Also, some customers changed their product design, making related investments till date redundant. Therefore, it was felt prudent to write off product development expenses of Rs.1084 Lakhs related to such contracts.

- (c) **Automobile Business** : Despite the continued product development in relation to Company's Sigma Vans and Roadstar pick up trucks and having adequate dealer network, the business could not reach the projected volumes. Therefore, it was felt prudent to write off such product development expenses of Rs.5777 Lakhs related to these products.

The Company's Peugeot TUD 5 Engine had to be localized involving investment in vendor toolings. Further, the said engine had to be upgraded for meeting Bharat stage II standard requirements. It was further upgraded to Bharat Stage III with turbo charger. However, the future sale of this engine is uncertain as it is not CRDi and also not Bharat IV stage emission norms complaint. Considering the fact that the Company has already started using Fiat CRDi Euro-IV engine, further development on TUD 5 is not envisaged now. Therefore, it is prudent to write off product development expenses of Rs.531 lakhs relating to TUD 5 Engine.

In case of company's compact SUV RiO, there are two facelifts, changes in interiors, initially using TUD 5 engine and now using FIAT CRDi engine. Though the product continues to show the market acceptance, certain product versions are discontinued and will no longer be manufactured. Therefore, it was felt prudent to write off product development expenses of Rs.2937 Lakhs related to such discontinued versions.

In view of the above, all these product development expenses amounting to Rs.12601 Lakhs have been written off in the Statement of Profit & Loss and have been shown as 'Non recurring item'.

## **28. Contingent Liabilities Not Provided For in Respect of**

- (a) Disputed indeterminate claims made by the employees regarding reinstatement, wages for the period of suspension etc. relating to the past years pending before Industrial Tribunals/High Court.
- (b) There are certain disputed excise and FEMA demands amounting to Rs.129.54 Lakhs (Previous Year 129.54 Lakhs). The same are being contested by company in appeals at various levels. The company foresees no liability in the above case as the management believes that it has strong case in the appeal.
- (c) Additional compensation, if any, in relation to certain demands in Consumer Forum cases, amount unascertained but considered to be insignificant.
- (d) Guarantees issued by bank amounting to Rs.1456.52 Lakhs (Previous year: Rs. 1172.38 Lakhs).
- (e) Bank guarantee Liability of Rs.18 Lakhs pertaining to the guarantee already encashed by one of the CNC Machine customer.

## 29. Capital Commitments & Other Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) is approximately Rs.53.13 Lakhs (Previous Year Rs.150.64 Lakhs).

There are no other commitments made by the company except for Rs.21 Lakhs ( Previous year Rs.28.43 Lakhs) to be funded to PAL Credit and Capital Limited.

## 30. Lease

### Operating Lease Company As A Lessee

A) Total of the future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

	As on 31.03.2013 (₹ Lakhs)	As on 31.03.2012 (₹ Lakhs)
a) Not later than one year	202.13	158.15
b) Later than one year but not later than five years	575.95	700.68
c) Later than five years	Nil	Nil

B) Lease payments recognised in the Statement of Profit and Loss Rs. 206.85 Lakhs (Previous year Rs.61.44 Lakhs)

C) General description of leasing arrangement

i) Leased Assets :- Motor Cars and Machinery

ii) Future Lease rentals are determined on the basis of agreed terms.

### Finance Lease Company As A Lessee

A) Total of the future minimum lease payments under finance leases for each of the following periods are as follows:

	As on 31.03.2013 (₹ Lakhs)	As on 31.03.2012 (₹ Lakhs)
a. Not later than one year (Present Value Rs. 159.55 Lakhs, Previous Year Rs. 227.80 Lakhs)	168.34	249.93
b. Later than one year but not later than five years (Present Value Rs. Nil, Previous Year Rs. 123.27 Lakhs)	0.00	147.58
c. Later than five years	Nil	Nil

B) General description of leasing arrangement

i) Leased Assets :- D.G. Sets, Machinery

- ii) Total Finance lease payments as on Balance Sheet date Rs. 293.96 Lakhs  
(Previous Year Rs. 817.56 Lakhs)  
(Present Value Rs.240.96 Lakhs, Previous Year. Rs. 636.51 Lakhs)

- C) The Company has option to buy the assets under finance lease at Rs.1/- each at the end of the lease period.

### 31. Capitalisation of Expenditure

Company has undertaken a major expansion cum modernization projects. During the year Company has capitalised the following expenses of revenue nature.

	For the year ended 31.03.2013 (₹ Lakhs)	For the year ended 31.03.2012 (₹ Lakhs)
Salaries, wages and bonus	642.34	538.39
Consumption of material	2192.07	967.25
Interest cost	1605.63	1315.42
	<b>4440.04</b>	<b>2821.06</b>

### 32. Employee Benefit

Defined Benefit Plans/Long Term Compensated Absences as per Actuarial Valuation:  
(₹ Lakhs)

Sr. Particulars	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
<b>A. Expense recognised in the Statement on Profit &amp; Loss Account for the year ended March 31, 2013</b>				
1. Current Service Cost	32.52	34.95	45.11	46.92
2. Interest Cost (on PBO as of 31.03.2013)	38.08	37.89	21.12	20.41
3. Employee Contributions	---	---	---	---
4. Expected return on plan assets	---	---	---	---
5. Actuarial (Gains)/ Losses	8.42	43.70	30.86	59.49
6. Past service cost				
7. Settlement cost				
8. Total Expense	79.02	116.54	97.09	126.82
<b>B. Asset/(Liability) recognised in the Balance Sheet as at March 31, 2013</b>				
1. Present value of Defined benefit obligation as at March 31, 2013	478.30	500.03	320.61	314.49

Sr. Particulars	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
2. Fair value of plan assets as at March 31, 2013				
3. Funded status surplus/(Deficit)	UNFUNDED	UNFUNDED	UNFUNDED	UNFUNDED
4. Net asset/ (liability) as at March 31, 2013	(478.30)	(500.03)	(320.61)	(314.49)
<b>C. Change in obligation During the year end March 31, 2013</b>				
1. Present value of Defined benefit obligation at the beginning of the year 01.04.2012	500.03	468.82	314.49	254.84
2. Current Service cost	32.52	34.95	45.11	46.92
3. Interest cost (on PBO as of March 31,2013)	38.08	37.89	21.12	20.41
4. Settlement cost				
5. Past service cost				
6. Employee contributions				
7. Actuarial (Gains)/ Losses	8.42	43.70	30.86	59.49
8. Benefits payments	(100.75)	(90.19)	(90.97)	(67.48)
9. Present value of Defined benefit obligation at the end of the year	478.30	500.03	320.61	314.49
<b>D. Change in Assets during the year ended March 31, 2013</b>				
1. Plan assets at the beginning of the year 01.04.2012	---	---	---	---
2. Assets acquired in amalgamation in previous year	---	---	---	---
3. Settlements	---	---	---	---
4. Expected return on plan assets	---	---	---	---
5. Contributions by Employees	---	---	---	---
6. Actual benefits paid	NA	NA	NA	NA
7. Actuarial gains / (losses)	NA	NA	NA	NA
8. Plan assets at the end of the year				
9. Actual return on plan assets	NA	NA	NA	NA

Sr. Particulars	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
<b>E. The Major categories of plan assets as a percentage of total plan</b>				
1. Qualifying insurance policy	-	-	-	-
<b>F. Effect of one percentage point change in the assumed medical inflation rate</b>				
1. Increase/ (Decrease) on aggregate service and interest cost of post employment medical benefits	NA	NA	NA	NA
2. Increase / (Decrease) on present value of Defined benefit Obligation as at March 31, 2013	NA	NA	NA	NA
<b>G. Actuarial Assumptions</b>				
1. Discount rate	8%	8%	8%	8%
2. Expected rate of return on plan assets	NA	NA	NA	NA
3. Mortality pre retirement	LIC(94-96)	LIC(94-96)	LIC (94-96)	LIC (94-96)
4. Mortality post Retirement	NA	NA	NA	NA
5. Turnover rate	1%	1%	1%	1%
6. Medical / premium Inflation	NA	NA	NA	NA

### 33. Segment Reporting

Information given in accordance with the requirement of Accounting Standard 17, on "Segment Reporting".

**Company's Primary business segments are as under:**

**(i) Engineering:**

Engaged in Engineering, manufacturing of machine tools of gear cutting, vertical and horizontal machining centre and special purpose machines. Specialized engineering solution for various applications, machining of precision components, sub-assemblies.

**(ii) Automotive:**

Automotive segment consists of two distinct activities viz. assembly of vehicles from imported painted bodies (already commenced) and indigenous production of vehicle bodies (yet to commence). During the year the company has undertaken only the assembly of the vehicles from imported painted bodies and indigenous production activity of bodies has not commenced.



## Segment Accounting Policies:

Segment accounting disclosures are in line with accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting.

- i. Segment Revenue includes Sales and other income directly identifiable with/ allocable to the segment.
- ii. Expenses that are directly identifiable with /allocable to segments are considered for determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments, are included under “Un-allocable expenditure”.
- iii. Income which relates to the Company as a whole and not allocable to segments is included in “Un-allocable Income”.
- iv. Segment assets and liabilities include those directly identifiable with the respective segments.
- v. The Company has no Secondary Reportable Segment.

## Segment Results: Information about primary business segments:

Sr. No.	Description	As on 31.03.2013 (₹ Lakhs)	As on 31.03.2012 (₹ Lakhs)
<b>1</b>	<b>Segment-wise Revenue</b>		
	1. Engineering	22422.34	22473.09
	2. Automotive	7332.24	7886.03
	<b>Total</b>	<b>29754.58</b>	<b>30359.12</b>
	Less: Inter Segment Revenue	----	----
	<b>Gross Sales/Income from operation</b>	<b>29754.58</b>	<b>30359.12</b>
<b>2</b>	<b>Profit / ( Loss ) before tax &amp; interest</b>		
	1. Engineering	6440.84	5920.94
	2. Automotive	324.31	444.16
	<b>Total</b>	<b>6765.15</b>	<b>6365.10</b>
	Less: Finance Cost	5176.11	4190.56
	Other Un-allocable expenditure net off income	(12573.92)	755.88
	<b>Net Profit before tax</b>	<b>14162.96</b>	<b>1418.66</b>
	Less: Taxes	5398.27	(865.18)
	<b>Net Profit after tax</b>	<b>8764.69</b>	<b>2283.84</b>

Sr. No.	Description	As on 31.03.2013 (₹ Lakhs)	As on 31.03.2012 (₹ Lakhs)
<b>3</b>	<b>Segment Assets</b>		
	1. Engineering	46596.29	42291.44
	2. Automotive	12658.56	18334.28
	3. Not allocated – Corporate	52858.18	60939.90
	<b>Total Assets</b>	<b>112113.03</b>	<b>121565.62</b>
<b>4</b>	<b>Segment Liabilities</b>		
	1. Engineering	6334.83	6259.71
	2. Automotive	3698.56	5352.20
	3. Not allocated – Corporate	7377.39	3356.28
	<b>Total Liabilities *</b>	<b>17410.78</b>	<b>14968.19</b>
<b>5</b>	<b>Capital Expenditure</b>		
	1. Engineering	2321.13	5694.00
	2. Automotive	(5823.53)	3445.01
	3. Not allocated – Corporate	23.75	15.94
<b>6</b>	<b>Depreciation</b>		
	1. Engineering	1425.49	1183.95
	2. Automotive	124.08	85.75
	3. Not allocated – Corporate	14.58	11.86
<b>7</b>	<b>Non cash expenses other than depreciation</b>		
	1. Engineering	0.00	15.67
	2. Automotive	---	---
	3. Not allocated – Corporate	---	---

\* Total Liabilities exclude Secured loans Rs.33683.98 Lakhs (Previous year Rs. 26080.86 Lakhs) and Unsecured loans Rs.8293.71 Lakhs (Previous year Rs. 9472.33 Lakhs).

### 34. Other Disclosures

#### a. CIF Value of imports (including capitalized items)

Sr. No.	Particulars	As on 31.03.2013 (₹ Lakhs)	As on 31.03.2012 (₹ Lakhs)
a)	Raw Materials: Metal Components	2851.57	3823.15
b)	Capital goods	0.00	571.03

## b. Expenditure and Earning in Foreign Currency

Sr. No.	Particulars	As on 31.03.2013		As on 31.03.2012	
		₹ Lakhs)		₹ Lakhs)	
a)	Expenditure in foreign currency				
	1. Travelling expenses		15.73		18.33
	2. Others		2.25		3.99
b)	Earnings in foreign currency (including deemed exports)				
	FOB value of exports		227.69		156.53

## c. Details of imported and indigenous Raw materials and components consumed

Sr. No.	Particulars	As on 31.03.2013		As on 31.03.2012	
		₹ Lakhs)	%	₹ Lakhs)	%
i)	Imported	3277.39	23	3217.94	20
ii)	Indigenous	11015.16	77	13110.14	80
	Total	14292.55	100	16328.08	100

## 35. Related Party Disclosures

### a. List of related parties with whom transactions have taken place and relationships:

Particulars	
1	Doshi Holdings Pvt. Ltd. Associate Company
2	DHPL Marine Pvt. Ltd. Subsidiary of Holding Company
3	PAL Credit and Capital Ltd. Associate Company
4	Premier Auto Ltd. Associate Company
5	Shri Lalchand Hirachand Trust Promoter Related Trust
6	Mr. Maitreya V. Doshi Key Management Personnel
7	Mr. Udo Weigel Director
8	Mrs. Kavita Khanna Director
9	Relative of Key Management Personnel
	i. Smt. Saryu Doshi
	ii. Mrs. Rohita Doshi

**b. Transactions during the year with and balance outstanding as at the end of the year with the related parties as follows**

(₹ Lakhs)

Sr. No	Nature of Transactions	31 <sup>st</sup> March 2013				31 <sup>st</sup> March 2012			
		Associate Companies	Key Management Personnel	Directors / Relative to Key Management Personnel	Others	Associate Companies	Key Management Personnel	Directors / Relative to Key Management Personnel	Others
<b>A. Transactions during the year</b>									
1	Inter Corporate deposit received	693.00	-	-	-	185.00	-	-	-
2	Earnest money deposit received	-	-	-	-	-	-	-	980.00
3	Fixed deposit received	-	-	15.00	-	-	130.00	158.00	-
4	Repayment of ICD/FD	693.00	-	-	-	254.00	130.00	1.00	-
5	Interest on ICD/ FD	14.60	-	67.26	-	5.92	8.17	38.59	-
6	Advance payment	52.43	-	-	-	101.57	-	-	-
7	Money received for convertible warrants	2.49	0.06	-	-	-	-	-	-
8	Consultancy Fees / Travelling	-	-	-	-	-	-	-	-
<b>B. Year end balances</b>									
1	Inter Corporate Deposit received	-	-	-	-	-	-	-	-
2	Fixed Deposit received	-	-	615.00	-	-	-	600.00	-
3	Earnest money deposit received	-	-	-	980.00	-	-	-	980.00
4	Advance Payment	154.00	-	-	-	101.57	-	-	-

### 36. Earnings per share (EPS)

Sr. Particulars No.	As on 31.03.2013		As on 31.03.2012	
	Basic	Diluted	Basic	Diluted
(a) No. of Shares	30372570	30372570	30372570	30372570
(b) Net Profit (₹ Lakhs)	8764.69	8764.69	2283.84	2283.84
(c) Earning per share (₹)	28.86	28.86	7.52	7.52

### 37. Unhedged Foreign Currency Exposures

Sr. Particulars No.	Currency	Foreign Currency	Amount in INR (₹ Lakhs)
(a) Import Trade Payables	USD	32138.50 (3548353.31)	17.48 (1815.21)
(b) Import Trade Payables	JPY	290399.00 (27581500)	1.68 (176.09)
(c) Import Trade Payables	Euro	72624.49 (109557.20)	50.51 (74.87)

(Figures in brackets are for previous year)

- 38.** There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the Balance Sheet date. Further, the Company has neither paid nor payable any interest to any Micro, Small and Medium Enterprises on the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
- 39.** Balances of Debtors & Creditors and advances/deposits received from dealers/customers are as per books of account. Letters have been sent seeking confirmation of balances and replies in some cases are awaited. Adjustments, if any, will be made on receipt of such confirmations and due reconciliation.
- 40.** Previous year figures have been regrouped and/or rearranged whenever necessary.

(Signature to Notes 1 to 40)

As per our Report attached  
**For K. S. Aiyar & Co.**  
 Chartered Accountants  
 Firm Registration No 100186W  
**Raghuvir M. Aiyar**  
 Partner (M No. 38128)  
 Place: Mumbai  
 Date: 30th April '13

**Maitreya V. Doshi**  
 Chairman & Managing Director  
**S. Padmanabhan**, Director  
**Asit Javeri**, Director

**Kavita Khanna**, Director  
**Dilip J. Thakkar**, Director  
**Ramesh Adige**, Director

**Ramesh M. Tavhare**  
 Vice President  
 (Finance & Legal)  
 & Company Secretary  
 Place: Mumbai  
 Date: 30th April '13

Registered office &amp; Works : Mumbai-Pune Road, Chinchwad, Pune 411019, India. Tel: +91-20-66310000, Fax: +91-20-66310371

Please fill the attendance slip and hand it over at the entrance of the meeting hall.

DP ID*		Registered Folio No.	
Client ID*		No. of shares	

Name and Address of the Shareholder : \_\_\_\_\_

I hereby record my presence at the 67<sup>th</sup> Annual General Meeting of the Company held on Friday, 14<sup>th</sup> June, 2013 at 10.00 am at the Registered office of the Company at Mumbai - Pune Road, Chinchwad, Pune - 411019

\* Applicable for investors holding shares in electronic form

\_\_\_\_\_  
Signature of the shareholder / Proxy

Note : Members are requested to bring their copies of the Annual Report to the meeting.

..... TEAR HERE .....

Registered office &amp; Works : Mumbai-Pune Road, Chinchwad, Pune 411019, India. Tel: +91-20-66310000, Fax: +91-20-66310371

DP ID*		Registered Folio No.	
Client ID*		No. of shares	

I/We \_\_\_\_\_

\_\_\_\_\_ being a member/ members of Premier Ltd., hereby appoint

1. Mr. \_\_\_\_\_ of \_\_\_\_\_ or failing him

2. Mr. \_\_\_\_\_ of \_\_\_\_\_ or failing him

3. Mr. \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy

to attend and vote for me/us and on my/our behalf at the 67<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, 14<sup>th</sup> June, 2013 at 10.00 am. and at any adjournments thereof.Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013 \_\_\_\_\_  
Signature

Affix Revenue Stamp
---------------------------

\* Applicable for investors holding shares in electronic form

NOTE : The proxy in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.



# Notes

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# Automotive



**The Premier RiO**



**India's most fuel efficient compact SUV**



**Nationwide dealership network**



**State-of-the-art RiO assembly line**



**RiO with the new CRDi4 diesel engine**

# ENGINEERING AUTOMOTIVE



**PREMIER LTD.**

**Corporate Office** : 58, Nariman Bhavan, 5th Floor, Nariman Point, Mumbai 400 021, India. Tel: +91-22-61179000/1/2, Fax: +91-22-61179003

**Registered Office & Works** : Premier Ltd., Mumbai-Pune Road, Chinchwad, Pune 411 019, India. Tel: +91-20-66310000, Fax: +91-20-66310371



# PREMIER LTD.

Engineering • Automotive

22<sup>nd</sup> July, 2013

BSE Limited  
Floor 25, P.J. Towers  
Dalal Street  
Mumbai – 400 001

Scrip Code: 500540

Dear Sirs,

We are submitting below the Form – A as required under Clause-31 of the Listing Agreement.

## Form – A

1.	Name of the Company	Premier Ltd.
2.	Annual financial statement for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	Un-qualified and Matter of Emphasis
4.	Frequency of observation	Matter of Emphasis appeared for the first Time

Maitreya V. Doshi  
(Chairman & Managing Director)

S. Padmanabhan  
(Audit Committee Chairman)

Ramesh M. Tavhare  
Vice President (Finance)

Auditor  
(K. S. Aiyar & Co.)